

CITY OF WATERTOWN, NEW YORK
AGENDA
Monday, December 18, 2017

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on Monday, December 18, 2017, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Appointing Lisa M. Carr as a Marriage Officer for the City of Watertown
- Resolution No. 2 - Approving Waiving the Rental Fee for the Thompson Park Pavilion, Jefferson & Lewis Counties Resolution Center
- Resolution No. 3 - Authorizing the Sale of Surplus 2002 Dodge Dakota Pickup, Code Enforcement
- Resolution No. 4 - Authorizing the Sale of Surplus 2001 Ford F350, Parks and Recreation Department
- Resolution No. 5 - Approving the Community Development Block Grant Sub-Recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2016 Homebuyer Program
- Resolution No. 6 - Approving the Community Development Block Grant Sub-Recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Rental Rehabilitation Program
- Resolution No. 7 - Approving the Community Development Block Grant Sub-Recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Owner Occupied Rehabilitation Program

- Resolution No. 8 - Adopting Guidelines and Administrative Procedures for the Community Development Block Grant Homebuyer Program
- Resolution No. 9 - Establishing Standard Work Days For New York State Retirement System Reporting
- Resolution No. 10 - Accepting the NYS Water Infrastructure Improvement Act Grant for the Water Pollution Control Plant Influent and Grit Improvement Project

ORDINANCES

- Ordinance No. 1 - An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

LOCAL LAW

PUBLIC HEARING

- 7:30 p.m. Local Law No. 5 of 2017 – A Local Law establishing a Reserve Fund Pursuant to New York General Municipal Law Section 6-e

OLD BUSINESS

- Laid Over Under the Rules A Local Law establishing a Contingency and Tax Stabilization Reserve Fund Pursuant to New York General Municipal Law Section 6-e

STAFF REPORTS

1. Sale of Surplus Hydro-electricity – November 2017
2. Sales Tax Revenue – November 2017

NEW BUSINESS

EXECUTIVE SESSION

WORK SESSION

ADJOURNMENT

NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS TUESDAY, JANUARY 2, 2018.

Res No. 1

December 6, 2017

To: The Honorable Mayor and City Council
From: Ann M. Saunders, City Clerk
Subject: Appointment of Marriage Officer

The attached resolution has been prepared in order to appoint Deputy Clerk Lisa M. Carr as a Marriage Officer for the City of Watertown.

RESOLUTION

Page 1 of 1

Appointing Lisa M. Carr as a
Marriage Officer for the City of Watertown

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS Section 11-C(1) of the New York State Domestic Relations Law permits the City Council of the City of Watertown to appoint one or more Marriage Officers who shall have the authority to solemnize marriages within the City, and

WHEREAS the City Council of the City of Watertown adopted Local Law No. 2 of 2002, establishing the position of City Marriage Officer under Section 45-11.3 of the City Code of the City of Watertown, and

WHEREAS Lisa M. Carr is over the age of 18 and is a resident of the City of Watertown, as required by Section 11-C(2) of the New York State Domestic Relations Law,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that Lisa M. Carr shall be appointed as a Marriage Officer for the City of Watertown with the duties established by Section 45-11.3 of the City Code of the City of Watertown and by Article 3 of the New York State Domestic Relations Law, for a term of four (4) years commencing immediately and expiring December 17, 2021.

Seconded by

Res No. 2

December 13, 2017

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Waiving the Rental Fee for the Thompson Park Pavilion,
Jefferson & Lewis Counties Resolution Center

At the December 4, 2017 City Council Meeting, there was discussion to support waiving the fee for the use of the Thompson Park Pavilion next July 14, 2018 for use by the Jefferson & Lewis Counties Resolution Center.

The attached Resolution for Council consideration waives that fee for their "Picnic in the Park."

December 18, 2017

RESOLUTION

Page 1 of 1

Approving Waiving the Rental Fee for the
Thompson Park Pavilion, Jefferson & Lewis
Counties Resolution Center

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York, will waive the fee for the use of the Thompson Park Pavilion next July 14, 2018 for use by the Jefferson & Lewis Counties Resolution Center.

Seconded by

Res No. 3

December 13, 2017

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Authorizing the Sale of Surplus 2002 Dodge Dakota Pickup,
Code Enforcement

Code Enforcement has a surplus 2002 Dodge Dakota pickup that is well past its useful life and is no longer of value to the City. This vehicle has been replaced with a new dependable pickup as appropriated in the FY 2017-18 Adopted Budget. As stated in the attached report, City Purchasing Manager Amy M. Pastuf recommends this pickup be sold through the Auctions International's online website.

A Resolution is attached for City Council consideration.

RESOLUTION

Page 1 of 1

Authorizing the Sale of Surplus 2002 Dodge
Dakota Pickup, Code Enforcement

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

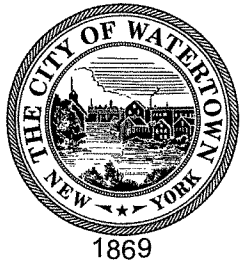
WHEREAS the City of Watertown has a 2002 Dodge Dakota pickup that is no longer of value to the City, the description of which is attached and made a part of this resolution, and

WHEREAS this pickup may have some value best determined by on-line auction,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York, that it hereby authorizes the sale, by on-line auction, of a 2002 Dodge Dakota pickup from Code Enforcement, and

BE IT FURTHER RESOLVED that final acceptance of such bids shall constitute acceptance of the same by the City Council.

Seconded by



CITY OF WATERTOWN, NEW YORK

ROOM 205, CITY HALL
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3380
E-MAIL APastuf@watertown-ny.gov
(315) 785-7749 (315) 785-7752

Amy M. Pastuf
Purchasing Manager

MEMORANDUM

TO: Sharon Addison, City Manager
FROM: Amy M. Pastuf, Purchasing Manager
SUBJECT: Surplus Sale of Vehicles and Equipment
DATE: 12/12/2017

The Purchasing Department is requesting City Council's permission to auction a surplus 2002 Dodge Dakota from the Code Enforcement Department. The Department has replaced the vehicle with a dependable new model, and therefore the vehicle no longer has value to the City. The Fleet Manager, Pete Monaco, has also determined that there is no use for this vehicle in any other department. This request is for the City Council to authorize the Purchasing Department to accept the highest offer at time of sale.

Thank you for your consideration in this matter.

Copy: Jim Mills, City Comptroller

Code Enforcement Department CE-2: 2002 Dodge Dakota, four-wheel drive, 6 cylinder, mileage 63,000. The vehicle starts, runs and the transmission shifts okay. The box and cab are in rough shape. The interior is in fair condition.



Res No. 4

December 13, 2017

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Authorizing the Sale of Surplus 2001 Ford F350,
Parks and Recreation Department

The Parks and Recreation Department has a surplus 2001 Ford F350 that is well past its useful life and is no longer of value to the City. This vehicle has been replaced with a new dependable pickup truck as appropriated in the FY 2017-18 Adopted Budget. As stated in the attached report, City Purchasing Manager Amy M. Pastuf recommends this vehicle be sold through the Auctions International's online website.

A Resolution is attached for City Council consideration.

RESOLUTION

Page 1 of 1

Authorizing the Sale of Surplus 2001 Ford F350,
Parks and Recreation Department

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

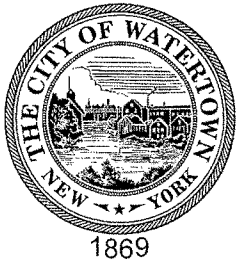
WHEREAS the City of Watertown has a 2001 Ford F350 that is no longer of value to the City, the description of which is attached and made a part of this resolution, and

WHEREAS this pickup may have some value best determined by on-line auction,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York, that it hereby authorizes the sale, by on-line auction, of a 2001 Ford F350 the Parks and Recreation Department, and

BE IT FURTHER RESOLVED that final acceptance of such bids shall constitute acceptance of the same by the City Council.

Seconded by



CITY OF WATERTOWN, NEW YORK

ROOM 205, CITY HALL
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3380
E-MAIL APastuf@watertown-ny.gov
☎ (315) 785-7749 📠 (315) 785-7752

Amy M. Pastuf
Purchasing Manager

MEMORANDUM

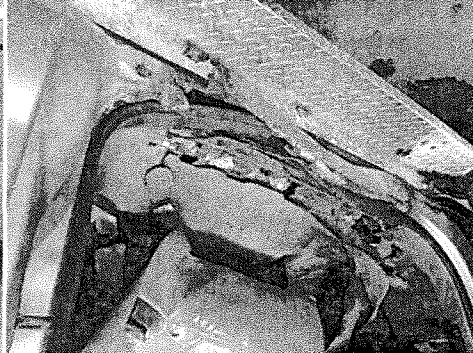
TO: Sharon Addison, City Manager
FROM: Amy M. Pastuf, Purchasing Manager
SUBJECT: Surplus Sale of Vehicles and Equipment
DATE: 12/13/2017

The Purchasing Department is requesting City Council's permission to auction a surplus Parks and Recreation Department 2001 Ford F350. The Department has replaced the vehicle with a dependable new model, and therefore the vehicle no longer has value to the City. The Fleet Manager, Pete Monaco, has also determined that there is no use for this vehicle in any other department. This request is for the City Council to authorize the Purchasing Department to accept the highest offer at time of sale.

Thank you for your consideration in this matter.

Copy: Jim Mills, City Comptroller

Parks and Recreation Department; 2001 Ford F350. The truck has approximately 93,000 miles and the body is in real rough shape. Floors are bad, rocker panels and box are rotted. The truck has numerous dents and jams. The truck starts, shifts and runs. The four-wheel drive works. Needs front end work.



December 13, 2017

To: The Honorable Mayor and City Council

From: Jennifer L. Voss, Senior Planner

Subject: Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2016 Homebuyer Program

The Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2016 that was adopted by the City Council on May 2, 2016, included \$125,000 to pay for the purchase and rehabilitation of at least four (4) housing units to income eligible homebuyers in the City of Watertown. Financial assistance will be available to help low and moderate income home owners pay for closing costs as well as minor home improvements in 1-4 unit homes.

A sub-recipient agreement between the City of Watertown and Neighbors of Watertown, Inc. for the 2016 Homebuyer Program has been drafted and is attached for Council's review. Neighbors of Watertown, Inc. will administer the project, complying with CDBG regulations and ensuring the units are occupied by low and moderate income persons.

The resolution prepared for City Council consideration approves the proposed agreement and authorizes the City Manager to sign it on behalf of the City Council.

RESOLUTION

Page 1 of 1

Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2016 Homebuyer Program

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown's Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2016 includes the purchase and rehabilitation of at least four (4) housing units to income eligible homebuyers within the City of Watertown, and

WHEREAS the Annual Action Plan identifies the Homebuyer Program to be \$125,000 in funding for the purchase, rehabilitation, administration and program delivery, and

WHEREAS Neighbors of Watertown, Inc. will serve as the Sub-Recipient of the funds for program administration, and

WHEREAS a Sub-Recipient Agreement between the City of Watertown and Neighbors of Watertown, Inc. for the CDBG funds has been prepared,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that it hereby approves the Sub-Recipient Agreement for program administration with the Neighbors of Watertown for the 2016 Homebuyer Program, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is hereby authorized and directed to execute the Grant Agreement on behalf of the City Council.

Seconded by

**SUB-RECIPIENT AGREEMENT
BETWEEN
CITY OF WATERTOWN, NY
AND
NEIGHBORS OF WATERTOWN, INC.
FOR
2016 HOMEBUYER PROGRAM**

THIS AGREEMENT, entered this _____ day of _____, 20____ by and between the City of Watertown (herein called the “Grantee”) and Neighbors of Watertown, Inc. (herein called the “Sub-recipient”).

WHEREAS, the Grantee has received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; otherwise known as the Community Development Block Grant Program, and

WHEREAS, the Grantee wishes to engage the Sub-recipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICES

A. Activities

The Sub-recipient is responsible for delivering the Grantee’s 2016 Community Development Block Grant Homebuyer Program. The Sub-recipient shall administer all tasks in connection with the aforesaid program in compliance with all applicable Federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the Grantee.

B. Principal Tasks

The major goal of the Sub-recipient’s efforts under this Agreement will be the closing of at least four (4) income eligible homebuyer housing units. Toward that goal, the major tasks that the Sub-recipient will perform include, but are not necessarily limited to, the following:

- 1. Homebuyer program guidelines, administrative procedures, plans and forms:** Subject to the review and approval by the Grantee, the Sub-recipient will establish, homebuyer program guidelines, (including but not limited to applicant eligibility requirements, priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as the administrative procedures (including but not limited to the verification of eligibility, inspection, work write-up and contractor selection,

construction administration and payments) and any other necessary forms, documents or sample contracts.

2. **Outreach:** The Sub-recipient will conduct sufficient advertisement of the homebuyer program and other forms of outreach to ensure that eligible applicants are made aware of the program and how to participate in order to meet the housing goal stated in this agreement.
3. **Intake/assessment of eligibility:** The Sub-recipient will assist potential property owners in the completion of applications to permit eligibility determinations for homebuyer assistance. The Sub-recipient will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, the Sub-recipient will make provisions for completing the application at the applicant's residence or other acceptable procedures for ensuring equal access to services. Initial eligibility determination of households/structures will be made by the Sub-recipient on the basis of satisfaction of income, when all the required eligibility documentation is provided. Homebuyers will be assisted on a first come, first ready basis.
4. **Environmental Review:** The Grantee will retain all environmental review responsibilities subject to 24 CFR Part 52, as stated explicitly in Section VII, and will bear all accountability for environmental compliance under HUD monitoring. Grantee staff will complete all HUD environmental review forms and procedures. For tiered reviews, this will include both the broad-level environmental review and all site-specific reviews that follow.

In the course of completing environmental reviews, the Grantee may require site specific information from the Sub-recipient. Such information may include, but is not limited to, proof of compliance with any statute, executive order or regulation where compliance was not achieved at the broad level of review. The Grantee may request any information necessary for the completion of an environmental review at any time, and the Sub-recipient is responsible for providing accurate and complete documentation. The Sub-recipient shall not authorize the start of any project until notified by the Grantee that the environmental review of the project has been completed.

5. **Work write-ups:** For each eligible unit to be assisted, the Sub-recipient will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.
6. **Lead Based Paint:** For each eligible unit to be assisted that was built prior to 1978, the Sub-recipient will take steps to ensure compliance with Lead-Based Paint regulations, 24 CFR 570.608 and 24 CFR Part 35, Subpart B, including but not limited to testing of painted surfaces to identify lead based paint hazards, a plan for addressing any identified hazards in the work plan, assurance that work that disturbs

painted surfaces where lead-based paint is identified is performed by contractors who are trained to use “safe work practices” and performance of a “clearance inspection” at the completion of the project to assure that no dust is present that is contaminated with lead based paint. Additionally, all owners and tenants of the properties of will be property notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

7. **Asbestos:** For each eligible unit to be assisted, the Sub-recipient will take steps to ensure compliance with the reporting requirements of the Clean Air Act as well as with all survey, reporting and removal requirements contained within 12 NYCRR Part 56.
8. **Bank financing:** For those applicants required to secure a portion of the financing for the rehabilitation work through private loans from a bank or other type of private financial institution, the Sub-recipient agrees to provide assistance to applicants when applying for such complementary financing.
9. **Solicitation and selection of contractors:** The Sub-recipient will assist approved applicants in the identification, solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. The Sub-recipient will use the approved forms and contract formats and will ensure the description of the work contained in any contracts with contractors is accurate and complete. The Sub-recipient also agrees to ensure work-write ups are thorough and detailed in order for contractors to create a reasonable bid on the project.
10. **Periodic and final inspections:** The Sub-recipient will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner’s written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor. A final inspection will be done by the Sub-recipient, and signed by the property owner prior to final payment to the contractor.
11. **Approval of contractor payments:** As rehabilitation progresses and invoices are submitted by contractors, the Sub-recipient will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from the Grantee, and disbursement to the contractors.
12. **Maintenance of case files and other records:** For each applicant, the Sub-recipient will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner

and Sub-recipient (along with repayment/ recapture provisions), documentation of liens and any other forms of security, lead based paint reports and notifications, contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). The Sub-recipient will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). The Sub-recipient will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section VIII B2 of this Agreement.

C. National Objectives

All activities funded with CDBG funds must meet at least one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Sub-recipient certifies that the activity (ies) carried out under this Agreement will benefit low- and moderate-income persons by offering financing to support the rehabilitation of substandard homes and apartments that are occupied by low or moderate income households. For activities benefiting low- and moderate-income persons, the Sub-recipient must adopt and make public the grantee's standards for determining that for housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."

The occupants of each home must qualify with household income not exceeding the HUD Section 8 Income Limits. Therefore, all assistance provided in the form of rehabilitation financing and all activity delivery expenses will directly benefit low or moderate income persons.

D. Levels of Accomplishment – Goals and Performance Measures

The Sub-recipient agrees to the closing of at least four (4) income eligible homebuyer housing units.

E. Staffing

Compliance with all CDBG regulations and requirements and implementation of the Owner- Occupied Rehabilitation Program will be carried out by the following staff that will be assigned as key personnel and will carry out and will be responsible for their assigned tasks:

Staff Member Title	General Program Duties
Reginald Schweitzer, Deputy Director	Overall administration of the Program activities; General program oversight and administration;
Hollie Thesier, Housing Program Coordinator	Assist with revision of forms and procedures; outreach; intake and eligibility determinations; direct the mailing of letters to potential clients, mailing of program handbooks and pre-applications; receive and review applications, interview and verify documentation for qualifying applicants, schedule inspection, supervision of Housing Rehab Coordinator; submission of approved contractor invoices; prepare reports and draws, revision of forms and procedures; qualify potential tenants upon completion, maintain all program records and required grant documentation; ensure compliance upon completion
Gene Bolton, Housing Rehab Coordinator	Stay abreast of rehabilitation costs, materials and best practices; qualify all contractors; inspect each property to determine the scope of rehabilitation required; work write-ups; assist owner in preparing bid packages, solicitation of contractors; assist owner in selecting contractor based on lowest, qualified bid, approval of contractor selection; monitor work in progress; inspect work for compliance with specifications, close out projects, submit progress and final payments; inspect property to ensure compliance throughout the compliance period;
Sarah Millard, Fiscal Director	Financial Records

Any changes in the key personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantee.

F. Performance Monitoring

The Grantee will monitor the performance of the Sub-recipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sub-recipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

A. Contract Term.

Services of the Sub-recipient shall start on December 1, 2017 and end on December 1, 2018. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Sub-recipient remains in control of CDBG funds or other CDBG assets, including program income.

B. Project Schedule.

The Sub-recipient will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in conformance with the schedule below.

Activity	Planned Finish Date
Forms and Procedures	October 2017
Marketing/Outreach	On-going
Applications/Eligibility Determination	On-going
Awards/Project Selection	On-going
Contracts	On-going
25% of Funds Committed	February 2018
50% of Funds Expended	July 2018
100% of Funds Expended	October 2018
Project Closeout	November 2018

III. BUDGET

A. Line Item Budget

The following is the budget for the housing rehabilitation program to be administered by the Sub-recipient.

Rehabilitation Loans and Grants	\$ 114,120.00
Lead Based Paint Fees	\$ 1,880.00
Administration and Program Delivery	\$ 9,000.00
TOTAL	\$ 125,000.00

B. Indirect Costs

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Sub-recipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

IV. PAYMENT

A. Subgrant Amount and Drawdowns

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed \$125,000. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Section III herein and in accordance with performance.

B. Direct Rehabilitation Expenses.

Payments to contractors should be made on the basis of work completed, with at least 10 percent retained until final inspection and sign-off of the completed rehabilitation by the Sub-recipient's staff and property owner.

*Payment schedules based on number of inspections throughout the process will work, but not an actual schedule as construction timelines can vary based on a number of factors encountered throughout the process.

C. Operation & Administration Expenses

Expenses for general administration shall also be paid against the line item budgets specified in Section III and in accordance with performance.

D. Financial Management Certification

Payments may be contingent upon certification of the Sub-recipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Michael Lumbis, Planning & Community Development Director
City of Watertown
245 Washington Street
Watertown, NY 13601
Tel: (315) 785-7734
Fax: (315) 785-7829

Sub-recipient

Gary C. Beasley, CEO/Executive Director
Neighbors of Watertown, Inc.
112 Franklin Street
Watertown, NY 13601
(315) 782-8497
(315) 782-0102

VI. SPECIAL CONDITIONS

N/A

VII. GENERAL CONDITIONS

A. General Compliance

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Sub-recipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Sub-recipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Sub-recipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Sub-recipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Sub-recipient is an independent contractor.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Sub-recipient shall provide the Grantee with proof of the above insurances and bond, reflecting that the City of Watertown is the loss payee for such coverages, and shall also provide a Certificate of Insurance which reflects that the City is an additional insured on its Commercial General liability (CGL) Insurance and that the City of Watertown will be provided with at least 30 days notice, by the insurer, of any intent to cancel or discontinue the Sub-recipient's coverage.

The Sub-recipient shall comply with the bonding and insurance requirements of 2 CFR 200.325 and 200.447, Bonding and Insurance.

F. Grantee Recognition

The Sub-recipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Sub-recipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Sub-recipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Sub-recipient.

H. Suspension or Termination

In accordance with 2 CFR 200.339, the Grantee may suspend or terminate this Agreement if the Sub-recipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Sub-recipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Sub-recipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR 200.340, this Agreement may also be terminated for convenience by either the Grantee or the Sub-recipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Sub-recipient agrees to comply with 2 CFR 200.400-419 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Sub-recipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Sub-recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Sub-recipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sub-recipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Sub-recipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Sub-recipient's responsibilities with respect to services provided under this contract, is prohibited by the Privacy Act unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sub-recipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sub-recipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Sub-recipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sub-recipient within 30 days after receipt by the Sub-recipient. Failure of the Sub-recipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sub-recipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Sub-recipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Sub-recipient shall report as needed all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The Sub-recipient will not use any program income. All program income will be returned to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Sub-recipient will develop an indirect cost allocation plan for determining the appropriate Sub-recipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Sub-recipient funds available under this Agreement based upon information submitted by the Sub-recipient and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually incurred by the Sub-recipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Sub-recipient.

4. Progress Reports

The Sub-recipient shall submit monthly Progress Reports to the Grantee in the form and with the content required by the Grantee.

D. Procurement

1. Compliance

The Sub-recipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Sub-recipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.317-326.

3. Travel

The Sub-recipient shall obtain written approval from the Grantee for any travel outside the greater Watertown area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200.311-315 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Sub-recipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Sub-recipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Sub-recipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Sub-recipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Sub-recipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Sub-recipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Sub-recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d)

governing optional relocation policies. The Sub-recipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Sub-recipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Sub-recipient agrees to comply with all local and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Sub-recipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Sub-recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Sub-recipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794),

which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Sub-recipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Sub-recipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Sub-recipient to assist in the formulation of such program. The Sub-recipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Sub-recipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Sub-recipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Sub-recipient shall furnish and cause each of its own Sub-recipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Sub-recipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Sub-recipient's commitments hereunder,

and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Sub-recipient will, in all solicitations or advertisements for employees placed by or on behalf of the Sub-recipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Sub-recipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Sub-recipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Sub-recipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Sub-recipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Sub-recipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Sub-recipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Sub-recipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the

regulations are imposed by state or local law, nothing hereunder is intended to relieve the Sub-recipient of its obligation, if any, to require payment of the higher wage. The Sub-recipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Sub-recipient and any of the Sub-recipient’s Sub-recipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Sub-recipient and any of the Sub-recipient’s Sub-recipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Sub-recipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Sub-recipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Sub-recipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income

persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Sub-recipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Sub-recipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Sub-recipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Sub-recipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Sub-recipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Sub-recipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Sub-recipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Sub-recipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Sub-recipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Sub-recipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Sub-recipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Sub-recipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a. The Sub-recipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

- b. No employee, officer or agent of the Sub-recipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Sub-recipient, or any designated public agency.

5. Lobbying

The Sub-recipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans,

and cooperative agreements) and that all Sub-recipients shall certify and disclose accordingly:

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Sub-recipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Sub-recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C., 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Sub-recipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and

maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Sub-recipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Sub-recipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Sub-recipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee

to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Sub-recipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Sub-recipient with respect to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Watertown, New York

By: _____
Sharon Addison, City Manager

Neighbors of Watertown, Inc.

By: _____
Gary Beasley, Executive Director

December 18, 2017

To: The Honorable Mayor and City Council

From: Jennifer L. Voss, Senior Planner

Subject: Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Rental Rehabilitation Program

The Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2017 that was adopted by the City Council on July 17, 2017, included \$102,400 to pay for the rehabilitation of four (4) substandard apartment units within the Near East Target Area in the City of Watertown. Financial assistance will be available to help property owners pay for the cost of home improvements in units that are rented to low and moderate income persons.

A sub-recipient agreement between the City of Watertown and Neighbors of Watertown, Inc. for the 2017 Rental Rehabilitation Program has been drafted and is attached for Council's review. Neighbors of Watertown, Inc. will administer the project, complying with CDBG regulations and ensuring the units are rented to low and moderate income persons at rents within the HUD restrictions for 5 years.

The resolution prepared for City Council consideration approves the proposed agreement and authorizes the City Manager to sign it on behalf of the City Council.

RESOLUTION

Page 1 of 1

Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Rental Rehabilitation Program

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown's Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2017 includes the rehabilitation of four (4) substandard apartment units within the Near East Target Area in the City of Watertown, and

WHEREAS the Annual Action Plan identifies the Rental Rehabilitation activity to be \$102,400 in funding for rehabilitation, administration and program delivery, and

WHEREAS Neighbors of Watertown, Inc. will serve as the Sub-Recipient of the funds for program administration, and

WHEREAS a Sub-Recipient Agreement between the City of Watertown and Neighbors of Watertown, Inc. for the CDBG funds has been prepared,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that it hereby approves the Sub-Recipient Agreement for program administration with the Neighbors of Watertown for the 2017 Rental Rehabilitation Program, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is hereby authorized and directed to execute the Grant Agreement on behalf of the City Council.

Seconded by

**SUB-RECIPIENT AGREEMENT
BETWEEN
CITY OF WATERTOWN, NY
AND
NEIGHBORS OF WATERTOWN, INC.
FOR
2017 RENTAL REHABILITATION PROGRAM**

THIS AGREEMENT, entered this _____ day of _____, 20____ by and between the City of Watertown (herein called the “Grantee”) and Neighbors of Watertown, Inc. (herein called the “Sub-recipient”).

WHEREAS, the Grantee has received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; otherwise known as the Community Development Block Grant Program, and

WHEREAS, the Grantee wishes to engage the Sub-recipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICES

A. Activities

The Sub-recipient is responsible for delivering the Grantee’s 2017 Community Development Block Grant Rental Rehabilitation Program. The Sub-recipient shall administer all tasks in connection with the aforesaid program in compliance with all applicable Federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the Grantee.

B. Principal Tasks

The major goal of the Sub-recipient’s efforts under this Agreement will be the completion of the rehabilitation of at least four (4) eligible rental housing units. The Near East Target Area will be the primary focus area for the project. Other target areas and locations throughout the City of Watertown will also be considered based on the need of the participating homeowners. Toward that goal, the major tasks that the Sub-recipient will perform include, but are not necessarily limited to, the following:

- 1. Housing rehabilitation program guidelines, administrative procedures, plans and forms:** Subject to the review and approval by the Grantee, the Sub-recipient will establish, housing rehabilitation program guidelines, (including but not limited to applicant eligibility requirements, priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the

recapture and affordability policies), as well as the administrative procedures (including but not limited to the verification of eligibility, inspection, work write-up and contractor selection, construction administration and payments) and any other necessary forms, documents or sample contracts.

2. **Outreach:** The Sub-recipient will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that eligible applicants are made aware of the program and how to participate in order to meet the housing rehabilitation goal stated in this agreement.
3. **Intake/assessment of eligibility:** The Sub-recipient will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. The Sub-recipient will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, the Sub-recipient will make provisions for completing the application at the applicant's residence or other acceptable procedures for ensuring equal access to services. Initial eligibility determination of households/structures will be made by the Sub-recipient on the basis of satisfaction of income requirements (single-unit structures must be occupied by a low- and moderate-income household; if a two-unit structure, at least one must be so occupied; and if three or more units in a structure, at least 51 percent of the units must be occupied by low- and moderate-income households [at affordable rents, where applicable] according to the most current income limits established by HUD), the apparent need for rehabilitation measures to correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design. After rehabilitation all units will be available for rent to only low-income tenants for the duration of the compliance period.
4. **Environmental Review:** The Grantee will retain all environmental review responsibilities subject to 24 CFR Part 52, as stated explicitly in Section VII, and will bear all accountability for environmental compliance under HUD monitoring. Grantee staff will complete all HUD environmental review forms and procedures. For tiered reviews, this will include both the broad-level environmental review and all site-specific reviews that follow.

In the course of completing environmental reviews, the Grantee may require site specific information from the Sub-recipient. Such information may include, but is not limited to, proof of compliance with any statute, executive order or regulation where compliance was not achieved at the broad level of review. The Grantee may request any information necessary for the completion of an environmental review at any time, and the Sub-recipient is responsible for providing accurate and complete documentation. The Sub-recipient shall not authorize the start of construction on any project until notified by the Grantee that the environmental review of the project has been completed.

5. **Work write-ups:** For each eligible unit to be assisted, the Sub-recipient will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.
6. **Lead Based Paint:** For each eligible unit to be assisted that was built prior to 1978, the Sub-recipient will take steps to ensure compliance with Lead-Based Paint regulations, 24 CFR 570.608 and 24 CFR Part 35, Subpart B, including but not limited to testing of painted surfaces to identify lead based paint hazards, a plan for addressing any identified hazards in the work plan, assurance that work that disturbs painted surfaces where lead-based paint is identified is performed by contractors who are trained to use “safe work practices” and performance of a “clearance inspection” at the completion of the project to assure that no dust is present that is contaminated with lead based paint. Additionally, all owners and tenants of the properties of will be property notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.
7. **Asbestos:** For each eligible unit to be assisted, the Sub-recipient will take steps to ensure compliance with the reporting requirements of the Clean Air Act as well as with all survey, reporting and removal requirements contained within 12 NYCRR Part 56.
8. **Bank financing:** For those applicants required to secure a portion of the financing for the rehabilitation work through private loans from a bank or other type of private financial institution, the Sub-recipient agrees to provide assistance to applicants when applying for such complementary financing.
9. **Solicitation and selection of contractors:** The Sub-recipient will assist approved applicants in the identification, solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. The Sub-recipient will use the approved forms and contract formats and will ensure the description of the work contained in any contracts with contractors is accurate and complete. The Sub-recipient also agrees to ensure work-write ups are thorough and detailed in order for contractors to create a reasonable bid on the project.
10. **Periodic and final inspections:** The Sub-recipient will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner’s written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor. A finalize inspection will be done by the Sub-recipient, and signed by the property owner prior to final payment to the contractor.

11. **Approval of contractor payments:** As rehabilitation progresses and invoices are submitted by contractors, the Sub-recipient will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from the Grantee, and disbursement to the contractors.
12. **Maintenance of case files and other records:** For each applicant, the Sub-recipient will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and Sub-recipient (along with repayment/ recapture provisions), documentation of liens and any other forms of security, lead based paint reports and notifications, contractor selection criteria, copy of contract between owner and contractors), documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). The Sub-recipient will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). The Sub-recipient will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section VIII B2 of this Agreement.

C. National Objectives

All activities funded with CDBG funds must meet at least one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Sub-recipient certifies that the activity (ies) carried out under this Agreement will benefit low- and moderate-income persons by offering financing to support the rehabilitation of substandard homes and apartments that are occupied by low or moderate income households. For activities benefiting low- and moderate-income persons, the Sub-recipient must adopt and make public the grantee's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."

The occupants of each home or apartment must qualify with household income not exceeding the HUD Section 8 Income Limits. Therefore, all assistance provided in the form of rehabilitation financing and all activity delivery expenses will directly benefit low or moderate income persons.

D. Levels of Accomplishment – Goals and Performance Measures

The Sub-recipient agrees to rehabilitate at least four (4) rental housing units.

E. Staffing

Compliance with all CDBG regulations and requirements and implementation of the Rental Rehabilitation Program will be carried out by the following staff who will be assigned as key personnel and will carry out and will be responsible for their assigned tasks:

Staff Member Title	General Program Duties
Reginald Schweitzer, Deputy Director	Overall administration of the Program activities; General program oversight and administration;
Hollie Thesier, Housing Program Coordinator	Assist with revision of forms and procedures; outreach; intake and eligibility determinations; direct the mailing of letters to potential clients, mailing of program handbooks and pre-applications; receive and review applications, interview and verify documentation for qualifying applicants, schedule inspection, supervision of Housing Rehab Coordinator; submission of approved contractor invoices; prepare reports and draws, revision of forms and procedures; qualify potential tenants upon completion, maintain all program records and required grant documentation; ensure compliance upon completion
Gene Bolton, Housing Rehab Coordinator	Stay abreast of rehabilitation costs, materials and best practices; qualify all contractors; inspect each property to determine the scope of rehabilitation required; work write-ups; assist owner in preparing bid packages, solicitation of contractors; assist owner in selecting contractor based on lowest, qualified bid, approval of contractor selection; monitor work in progress; inspect work for compliance with specifications, close out projects, submit progress and final payments; inspect property to ensure compliance throughout the compliance period;
Sarah Millard, Fiscal Director	Financial Records

Any changes in the key personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantee.

F. Performance Monitoring

The Grantee will monitor the performance of the Sub-recipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sub-recipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

A. Contract Term.

Services of the Sub-recipient shall start on December 19, 2017 and end on June 30, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Sub-recipient remains in control of CDBG funds or other CDBG assets, including program income.

B. Project Schedule.

The Sub-recipient will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in conformance with the schedule below.

Activity	Planned Finish Date
Forms and Procedures	January 2018
Marketing/Outreach	On-going
Applications/Eligibility Determination	On-going
Awards/Project Selection	On-going
Contracts	On-going
25% of Funds Committed	June 2018
50% of Funds Expended	December 2018
100% of Funds Expended	June 2019
Project Closeout	July 2019

III. BUDGET

A. Line Item Budget

The following is the budget for the housing rehabilitation program to be administered by the Sub-recipient.

Rehabilitation Loans and Grants	\$ 91,520.00
Lead Based Paint Fees	\$ 1,880.00
Administration and Program Delivery	\$ 9,000.00
TOTAL	\$102,400.00

B. Indirect Costs

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Sub-recipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

IV. PAYMENT

A. Subgrant Amount and Drawdowns

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed \$102,400. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Section III herein and in accordance with performance.

B. Direct Rehabilitation Expenses.

Payments to contractors should be made on the basis of work completed, with at least 10 percent retained until final inspection and sign-off of the completed rehabilitation by the Sub-recipient's staff and property owner.

*Payment schedules based on number of inspections throughout the process will work, but not an actual schedule as construction timelines can vary based on a number of factors encountered throughout the process.

C. Operation & Administration Expenses

Expenses for general administration shall also be paid against the line item budgets specified in Section III and in accordance with performance.

D. Financial Management Certification

Payments may be contingent upon certification of the Sub-recipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Michael Lumbis, Planning & Community Development Director
City of Watertown
245 Washington Street
Watertown, NY 13601
Tel: (315) 785-7734
Fax: (315) 785-7829

Sub-recipient

Gary C. Beasley, CEO/Executive Director
Neighbors of Watertown, Inc.
112 Franklin Street
Watertown, NY 13601
(315) 782-8497
(315) 782-0102

VI. SPECIAL CONDITIONS

N/A

VII. GENERAL CONDITIONS

A. General Compliance

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Sub-recipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Sub-recipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Sub-recipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Sub-recipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times remain an "independent contractor" with respect to

the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Sub-recipient is an independent contractor.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Sub-recipient shall provide the Grantee with proof of the above insurances and bond, reflecting that the City of Watertown is the loss payee for such coverages, and shall also provide a Certificate of Insurance which reflects that the City is an additional insured on its Commercial General liability (CGL) Insurance and that the City of Watertown will be provided with at least 30 days notice, by the insurer, of any intent to cancel or discontinue the Sub-recipient's coverage.

The Sub-recipient shall comply with the bonding and insurance requirements of 2 CFR 200.325 and 200.447, Bonding and Insurance.

F. Grantee Recognition

The Sub-recipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Sub-recipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing,

signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Sub-recipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Sub-recipient.

H. Suspension or Termination

In accordance with 2 CFR 200.339, the Grantee may suspend or terminate this Agreement if the Sub-recipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Sub-recipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Sub-recipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR 200.340, this Agreement may also be terminated for convenience by either the Grantee or the Sub-recipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Sub-recipient agrees to comply with 2 CFR 200.400-419 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Sub-recipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Sub-recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Sub-recipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sub-recipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Sub-recipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Sub-recipient's responsibilities with respect to services provided under this contract, is prohibited by the Privacy Act unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sub-recipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sub-recipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Sub-recipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sub-recipient within 30 days after receipt by the Sub-recipient. Failure of the Sub-recipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sub-recipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Sub-recipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Sub-recipient shall report as needed all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The Sub-recipient will not use any program income. All program income will be returned to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Sub-recipient will develop an indirect cost allocation plan for determining the appropriate Sub-recipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Sub-recipient funds available under this Agreement based upon information submitted by the Sub-recipient and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually incurred by the Sub-recipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Sub-recipient.

4. Progress Reports

The Sub-recipient shall submit monthly Progress Reports to the Grantee in the form and with the content required by the Grantee.

D. Procurement

1. Compliance

The Sub-recipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Sub-recipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.317-326.

3. Travel

The Sub-recipient shall obtain written approval from the Grantee for any travel outside the greater Watertown area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200.311-315 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Sub-recipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Sub-recipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Sub-recipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Sub-recipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Sub-recipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Sub-recipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Sub-recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing

regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Sub-recipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Sub-recipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Sub-recipient agrees to comply with all local and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Sub-recipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Sub-recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Sub-recipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Sub-recipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Sub-recipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Sub-recipient to assist in the formulation of such program. The Sub-recipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Sub-recipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Sub-recipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Sub-recipient shall furnish and cause each of its own Sub-recipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Sub-recipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Sub-recipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Sub-recipient will, in all solicitations or advertisements for employees placed by or on behalf of the Sub-recipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Sub-recipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Sub-recipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Sub-recipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Sub-recipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Sub-recipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Sub-recipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Sub-recipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Sub-recipient of its obligation, if any, to require payment of the higher wage. The Sub-recipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Sub-recipient and any of the Sub-recipient’s Sub-recipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Sub-recipient and any of the Sub-recipient’s Sub-recipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Sub-recipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Sub-recipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons

residing in the metropolitan area in which the project is located.”

The Sub-recipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Sub-recipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Sub-recipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Sub-recipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Sub-recipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Sub-recipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Sub-recipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Sub-recipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Sub-recipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Sub-recipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Sub-recipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Sub-recipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Sub-recipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a. The Sub-recipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Sub-recipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Sub-recipient, or any designated public agency.

5. Lobbying

The Sub-recipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Sub-recipients shall certify and disclose accordingly:
- d. Lobbying Certification
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Sub-recipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Sub-recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C., 7401, *et seq.*;

- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Sub-recipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Sub-recipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Sub-recipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Sub-recipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Sub-recipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Sub-recipient with respect to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Watertown, New York

By: _____
Sharon Addison, City Manager

Neighbors of Watertown, Inc.

By: _____
Gary Beasley, Executive Director

December 13, 2017

To: The Honorable Mayor and City Council

From: Jennifer L. Voss, Senior Planner

Subject: Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Owner Occupied Rehabilitation Program

The Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2017 that was adopted by the City Council on July 17, 2017, included \$256,100 to pay for the rehabilitation of ten (10) substandard housing units in the Near East Target Area within the City of Watertown. Financial assistance will be available to help low and moderate income home owners pay for the cost of home improvements in 1-4 unit homes.

A sub-recipient agreement between the City of Watertown and Neighbors of Watertown, Inc. for the 2017 Owner Occupied Rehabilitation Program has been drafted and is attached for Council's review. Neighbors of Watertown, Inc. will administer the project, complying with CDBG regulations and ensuring the units are occupied by low and moderate income persons.

The resolution prepared for City Council consideration approves the proposed agreement and authorizes the City Manager to sign it on behalf of the City Council.

RESOLUTION

Page 1 of 1

Approving the Community Development Block Grant Sub-recipient Grant Agreement with Neighbors of Watertown, Inc. for the 2017 Owner Occupied Rehabilitation Program

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown's Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2017 includes the rehabilitation of ten (10) substandard housing units within the Near East Target Area in the City of Watertown, and

WHEREAS the Annual Action Plan identifies the Owner Occupied Rehabilitation activity to be \$256,100 in funding for rehabilitation, administration and program delivery, and

WHEREAS Neighbors of Watertown, Inc. will serve as the Sub-Recipient of the funds for program administration, and

WHEREAS a Sub-Recipient Agreement between the City of Watertown and Neighbors of Watertown, Inc. for the CDBG funds has been prepared,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that it hereby approves the Sub-Recipient Agreement for program administration with the Neighbors of Watertown for the 2017 Owner Occupied Rehabilitation Program, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is hereby authorized and directed to execute the Grant Agreement on behalf of the City Council.

Seconded by

**SUB-RECIPIENT AGREEMENT
BETWEEN
CITY OF WATERTOWN, NY
AND
NEIGHBORS OF WATERTOWN, INC.
FOR
2017 OWNER OCCUPIED REHABILITATION PROGRAM**

THIS AGREEMENT, entered this _____ day of _____, 20____ by and between the City of Watertown (herein called the “Grantee”) and Neighbors of Watertown, Inc. (herein called the “Sub-recipient”).

WHEREAS, the Grantee has received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; otherwise known as the Community Development Block Grant Program, and

WHEREAS, the Grantee wishes to engage the Sub-recipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICES

A. Activities

The Sub-recipient is responsible for delivering the Grantee’s 2017 Community Development Block Grant Owner Occupied Rehabilitation Program. The Sub-recipient shall administer all tasks in connection with the aforesaid program in compliance with all applicable Federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the Grantee.

B. Principal Tasks

The major goal of the Sub-recipient’s efforts under this Agreement will be the completion of the rehabilitation of at least ten (10) eligible owner occupied housing units. The Near East Target Area will be the primary focus area for the project. Other target areas and locations throughout the City of Watertown will also be considered based on the need of the participating homeowners. Toward that goal, the major tasks that the Sub-recipient will perform include, but are not necessarily limited to, the following:

1. **Housing rehabilitation program guidelines, administrative procedures, plans and forms:** Subject to the review and approval by the Grantee, the Sub-recipient will establish, housing rehabilitation program guidelines, (including but not limited to applicant eligibility requirements, priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the

recapture and affordability policies), as well as the administrative procedures (including but not limited to the verification of eligibility, inspection, work write-up and contractor selection, construction administration and payments) and any other necessary forms, documents or sample contracts.

2. **Outreach:** The Sub-recipient will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that eligible applicants are made aware of the program and how to participate in order to meet the housing rehabilitation goal stated in this agreement.
3. **Intake/assessment of eligibility:** The Sub-recipient will assist property owners in the completion of applications to permit eligibility determinations for rehabilitation assistance. The Sub-recipient will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, the Sub-recipient will make provisions for completing the application at the applicant's residence or other acceptable procedures for ensuring equal access to services. Initial eligibility determination of households/structures will be made by the Sub-recipient on the basis of satisfaction of income requirements (single-unit structures must be owner occupied by a low- and moderate-income household; if a two-unit structure, at least one must be so occupied; and if three or four units in a structure, at least 51 percent of the units must be occupied by low- and moderate-income households [at affordable rents, where applicable] according to the most current income limits established by HUD), the apparent need for rehabilitation measures to correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.
4. **Environmental Review:** The Grantee will retain all environmental review responsibilities subject to 24 CFR Part 52, as stated explicitly in Section VII, and will bear all accountability for environmental compliance under HUD monitoring. Grantee staff will complete all HUD environmental review forms and procedures. For tiered reviews, this will include both the broad-level environmental review and all site-specific reviews that follow.

In the course of completing environmental reviews, the Grantee may require site specific information from the Sub-recipient. Such information may include, but is not limited to, proof of compliance with any statute, executive order or regulation where compliance was not achieved at the broad level of review. The Grantee may request any information necessary for the completion of an environmental review at any time, and the Sub-recipient is responsible for providing accurate and complete documentation. The Sub-recipient shall not authorize the start of construction on any project until notified by the Grantee that the environmental review of the project has been completed.

5. **Work write-ups:** For each eligible unit to be assisted, the Sub-recipient will complete a detailed work write-up of the rehabilitation to be performed, including

estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.

6. **Lead Based Paint:** For each eligible unit to be assisted that was built prior to 1978, the Sub-recipient will take steps to ensure compliance with Lead-Based Paint regulations, 24 CFR 570.608 and 24 CFR Part 35, Subpart B, including but not limited to testing of painted surfaces to identify lead based paint hazards, a plan for addressing any identified hazards in the work plan, assurance that work that disturbs painted surfaces where lead-based paint is identified is performed by contractors who are trained to use “safe work practices” and performance of a “clearance inspection” at the completion of the project to assure that no dust is present that is contaminated with lead based paint. Additionally, all owners and tenants of the properties of will be property notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.
7. **Asbestos:** For each eligible unit to be assisted, the Sub-recipient will take steps to ensure compliance with the reporting requirements of the Clean Air Act as well as with all survey, reporting and removal requirements contained within 12 NYCRR Part 56.
8. **Bank financing:** For those applicants required to secure a portion of the financing for the rehabilitation work through private loans from a bank or other type of private financial institution, the Sub-recipient agrees to provide assistance to applicants when applying for such complementary financing.
9. **Solicitation and selection of contractors:** The Sub-recipient will assist approved applicants in the identification, solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. The Sub-recipient will use the approved forms and contract formats and will ensure the description of the work contained in any contracts with contractors is accurate and complete. The Sub-recipient also agrees to ensure work-write ups are thorough and detailed in order for contractors to create a reasonable bid on the project.
10. **Periodic and final inspections:** The Sub-recipient will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner’s written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor. A final inspection will be done by the Sub-recipient, and signed by the property owner prior to final payment to the contractor.

11. **Approval of contractor payments:** As rehabilitation progresses and invoices are submitted by contractors, the Sub-recipient will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from the Grantee, and disbursement to the contractors.
12. **Maintenance of case files and other records:** For each applicant, the Sub-recipient will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and Sub-recipient (along with repayment/ recapture provisions), documentation of liens and any other forms of security, lead based paint reports and notifications, contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). The Sub-recipient will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). The Sub-recipient will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section VIII B2 of this Agreement.

C. National Objectives

All activities funded with CDBG funds must meet at least one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Sub-recipient certifies that the activity (ies) carried out under this Agreement will benefit low- and moderate-income persons by offering financing to support the rehabilitation of substandard homes and apartments that are occupied by low or moderate income households. For activities benefiting low- and moderate-income persons, the Sub-recipient must adopt and make public the grantee's standards for determining that for housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."

The occupants of each home must qualify with household income not exceeding the HUD Section 8 Income Limits. Therefore, all assistance provided in the form of rehabilitation financing and all activity delivery expenses will directly benefit low or moderate income persons.

D. Levels of Accomplishment – Goals and Performance Measures

The Sub-recipient agrees to rehabilitate at least ten (10) housing units.

E. Staffing

Compliance with all CDBG regulations and requirements and implementation of the Owner- Occupied Rehabilitation Program will be carried out by the following staff who will be assigned as key personnel and will carry out and will be responsible for their assigned tasks:

Staff Member Title	General Program Duties
Reginald Schweitzer, Deputy Director	Overall administration of the Program activities; General program oversight and administration;
Hollie Thesier, Housing Program Coordinator	Assist with revision of forms and procedures; outreach; intake and eligibility determinations; direct the mailing of letters to potential clients, mailing of program handbooks and pre-applications; receive and review applications, interview and verify documentation for qualifying applicants, schedule inspection, supervision of Housing Rehab Coordinator; submission of approved contractor invoices; prepare reports and draws, revision of forms and procedures; qualify potential tenants upon completion, maintain all program records and required grant documentation; ensure compliance upon completion
Gene Bolton, Housing Rehab Coordinator	Stay abreast of rehabilitation costs, materials and best practices; qualify all contractors; inspect each property to determine the scope of rehabilitation required; work write-ups; assist owner in preparing bid packages, solicitation of contractors; assist owner in selecting contractor based on lowest, qualified bid, approval of contractor selection; monitor work in progress; inspect work for compliance with specifications, close out projects, submit progress and final payments; inspect property to ensure compliance throughout the compliance period;
Sarah Millard, Fiscal Director	Financial Records

Any changes in the key personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantee.

F. Performance Monitoring

The Grantee will monitor the performance of the Sub-recipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sub-recipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

A. Contract Term.

Services of the Sub-recipient shall start on December 19, 2017 and end on June 30, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Sub-recipient remains in control of CDBG funds or other CDBG assets, including program income.

B. Project Schedule.

The Sub-recipient will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in conformance with the schedule below.

Activity	Planned Finish Date
Forms and Procedures	January 2018
Marketing/Outreach	On-going
Applications/Eligibility Determination	On-going
Awards/Project Selection	On-going
Contracts	On-going
25% of Funds Committed	June 2018
50% of Funds Expended	December 2018
100% of Funds Expended	June 2019
Project Closeout	July 2019

III. BUDGET

A. Line Item Budget

The following is the budget for the housing rehabilitation program to be administered by the Sub-recipient.

Rehabilitation Loans and Grants	\$ 228,900.00
Lead Based Paint Fees	\$ 4,700.00
Administration and Program Delivery	\$ 22,500.00
TOTAL	\$256,100.00

B. Indirect Costs

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Sub-recipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

IV. PAYMENT

A. Subgrant Amount and Drawdowns

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed \$256,100. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Section III herein and in accordance with performance.

B. Direct Rehabilitation Expenses.

Payments to contractors should be made on the basis of work completed, with at least 10 percent retained until final inspection and sign-off of the completed rehabilitation by the Sub-recipient's staff and property owner.

*Payment schedules based on number of inspections throughout the process will work, but not an actual schedule as construction timelines can vary based on a number of factors encountered throughout the process.

C. Operation & Administration Expenses

Expenses for general administration shall also be paid against the line item budgets specified in Section III and in accordance with performance.

D. Financial Management Certification

Payments may be contingent upon certification of the Sub-recipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Michael Lumbis, Planning & Community Development Director
City of Watertown
245 Washington Street
Watertown, NY 13601
Tel: (315) 785-7734
Fax: (315) 785-7829

Sub-recipient

Gary C. Beasley, CEO/Executive Director
Neighbors of Watertown, Inc.
112 Franklin Street
Watertown, NY 13601
(315) 782-8497
(315) 782-0102

VI. SPECIAL CONDITIONS

N/A

VII. GENERAL CONDITIONS

A. General Compliance

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Sub-recipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Sub-recipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Sub-recipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Sub-recipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from

payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Sub-recipient is an independent contractor.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Sub-recipient shall provide the Grantee with proof of the above insurances and bond, reflecting that the City of Watertown is the loss payee for such coverages, and shall also provide a Certificate of Insurance which reflects that the City is an additional insured on its Commercial General liability (CGL) Insurance and that the City of Watertown will be provided with at least 30 days notice, by the insurer, of any intent to cancel or discontinue the Sub-recipient's coverage.

The Sub-recipient shall comply with the bonding and insurance requirements of 2 CFR 200.325 and 200.447, Bonding and Insurance.

F. Grantee Recognition

The Sub-recipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Sub-recipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Sub-recipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Sub-recipient.

H. Suspension or Termination

In accordance with 2 CFR 200.339, the Grantee may suspend or terminate this Agreement if the Sub-recipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Sub-recipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Sub-recipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR 200.340, this Agreement may also be terminated for convenience by either the Grantee or the Sub-recipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Sub-recipient agrees to comply with 2 CFR 200.400-419 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Sub-recipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Sub-recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required determining the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Sub-recipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sub-recipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Sub-recipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Sub-recipient's responsibilities with respect to services provided under this contract, is prohibited by the Privacy Act unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sub-recipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sub-recipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Sub-recipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sub-recipient within 30 days after receipt by the Sub-recipient. Failure of the Sub-recipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sub-recipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Sub-recipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Sub-recipient shall report as needed all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The Sub-recipient will not use any program income. All program income will be returned to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Sub-recipient will develop an indirect cost allocation plan for determining the appropriate Sub-recipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Sub-recipient funds available under this Agreement based upon information submitted by the Sub-recipient and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually incurred by the Sub-recipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Sub-recipient.

4. Progress Reports

The Sub-recipient shall submit monthly Progress Reports to the Grantee in the form and with the content required by the Grantee.

D. Procurement

1. Compliance

The Sub-recipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Sub-recipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.317-326.

3. Travel

The Sub-recipient shall obtain written approval from the Grantee for any travel outside the greater Watertown area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 200.311-315 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Sub-recipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Sub-recipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Sub-recipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Sub-recipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Sub-recipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Sub-recipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Sub-recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d)

governing optional relocation policies. The Sub-recipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Sub-recipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Sub-recipient agrees to comply with all local and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Sub-recipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Sub-recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Sub-recipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794),

which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Sub-recipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Sub-recipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Sub-recipient to assist in the formulation of such program. The Sub-recipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Sub-recipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Sub-recipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Sub-recipient shall furnish and cause each of its own Sub-recipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Sub-recipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Sub-recipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Sub-recipient will, in all solicitations or advertisements for employees placed by or on behalf of the Sub-recipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Sub-recipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Sub-recipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Sub-recipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Sub-recipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Sub-recipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Sub-recipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Sub-recipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all

contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Sub-recipient of its obligation, if any, to require payment of the higher wage. The Sub-recipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Sub-recipient and any of the Sub-recipient's Sub-recipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Sub-recipient and any of the Sub-recipient's Sub-recipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Sub-recipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Sub-recipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Sub-recipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Sub-recipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Sub-recipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Sub-recipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Sub-recipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Sub-recipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Sub-recipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Sub-recipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Sub-recipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Sub-recipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Sub-recipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Sub-recipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Sub-recipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a. The Sub-recipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Sub-recipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Sub-recipient, or any designated public agency.

5. Lobbying

The Sub-recipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer

or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Sub-recipients shall certify and disclose accordingly:

- d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Sub-recipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Sub-recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C., 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;

- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Sub-recipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Sub-recipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Sub-recipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Sub-recipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Sub-recipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Sub-recipient with respect to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Watertown, New York

By: _____
Sharon Addison, City Manager

Neighbors of Watertown, Inc.

By: _____
Gary Beasley, Executive Director

Res No. 8

December 13, 2017

To: The Honorable Mayor and City Council

From: Jennifer L. Voss, Senior Planner

Subject: Adopting Guidelines and Administrative Procedures for the
Community Development Block Grant Homebuyer
Program

Earlier in the agenda, the City Council considered a Sub-Recipient Agreement with Neighbors of Watertown, Inc. for the 2016 Community Development Block Grant (CDBG) Homebuyer Program. This grant will provide funds for a city-wide homebuyer program that will assist in the cost of the purchase and rehabilitation of at least four (4) housing units to income eligible homebuyers.

Guidelines and Administrative Procedures must be adopted to implement the program. Enclosed with each City Council Member's agenda package is a copy of the proposed Guidelines and Administrative Procedures. Please note that the appendices referenced in the guidelines have not been included in the printed Council agenda packet, however, they have been provided in the online version of the agenda for Council's reference. This document is intended to cover the 2016 funded program as well as future homebuyer programs supported with CDBG funds.

A resolution has been prepared for City Council consideration that adopts the Guidelines and Administrative Procedures for the City's Homebuyer Program.

RESOLUTION

Page 1 of 1

Adopting Guidelines and Administrative
Procedures for the Community Development
Block Grant Homebuyer Program

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown's Community Development Block Grant (CDBG) Annual Action Plan for the Program Year 2016 includes the Homebuyer Program which provides funding that will assist in the cost of the purchase and rehabilitation of at least four (4) housing units to income eligible homebuyers within the City of Watertown, and

WHEREAS the City approved a Sub-Recipient Agreement with Neighbors of Watertown, Inc. to serve as the program administrator for the 2016 Homebuyer Program, and

WHEREAS Guidelines and Administrative Procedures have to be developed for this and subsequent CDBG homebuyer programs, and

WHEREAS Guidelines and Administrative Procedures have been drafted to govern the operation of the Homebuyer Program, a copy of which is attached and made part of this resolution,

NOW THEREFORE BE IT RESOLVED that Guidelines and Administrative Procedures for the City of Watertown's CDBG Homebuyer Program are hereby adopted and shall become effective immediately for all homebuyer activities conducted with CDBG funding in the City of Watertown.

Seconded by

City of Watertown

Homebuyer Program Guidelines

1.0 General Provisions

1.1 Statement of Purpose

The purpose of this program is to assist income eligible First Time Homebuyers with the purchase and rehabilitation of a home. The primary objective is to ensure homebuyers purchase homes that are affordable and can be sustained by the family.

Assistance will be provided to help homebuyers identify what they can afford in a mortgage, obtain non-predatory financing, identify eligible properties, and what improvements may be necessary to ensure sustainability. Technical assistance will be provided to determine the best way to complete necessary improvements, to help find local contractors who can perform that work, and to assure that all rehabilitation activities are completed in a satisfactory manner in compliance with applicable federal, state and local regulations.

Financial assistance will be available to help qualified applicants with down payment, closing costs and rehabilitation. Federal funding will be used to provide financing for improvements in an appropriate size house for the family size. That financing will be in the form of a deferred payment loan that will not be repaid if the applicant complies with all program guidelines for a period of ten years.

A Project Review Committee will be established to review the project recommendations selected by Neighbors of Watertown, Inc. (NOWI), serving as the project administrators. The Committee will consist of applicable staff from NOWI as well as staff from the City of Watertown Planning Department. A project will not be able to proceed prior to being approved by the Project Review Committee. A project will be considered approved when the Application for Assistance and Project Agreement have been signed by staff from the City of Watertown Planning Department.

1.2 Organization and Authority

Overall program organization is detailed in this section with an outline of the responsibilities and authority delegated at each level.

a. Project Review Committee

A Project Review Committee shall be established to include applicable staff from the City of Watertown Planning Department.

The Project Review Committee is authorized to interpret these guidelines and determine how they will be applied in special cases, provided that no such interpretation or decision conflicts with another section of the guidelines or violates any federal, state or local regulation that applies to these activities.

All questions regarding eligibility for assistance under this program shall be decided by the Project Review Committee with the recommendation of the Program Administrator.

All financial assistance and any modification of the CDBG financing (eg: for necessary change orders permitted under Section 10.6) must be approved by the Project Review Committee with a specific request from the homebuyer and the recommendation of the Program Administrator.

b. Program Administrator

Neighbors of Watertown, Inc (NOWI) will serve as the Program Administrator and will be responsible for the day-to-day administration of the program including collection of all documentation, determination of applicants and properties, preparation of work write-ups, review of contractor proposals and inspection of work in progress. This broad responsibility is offset by strict limitations of authority as outlined below:

I. Control of the Work:

The Program Administrator does not decide which items of work will be done or which contractor will be hired. For that purpose, those decisions and all others related to the rehabilitation improvements must be made by each homebuyer. However, the Program Administrator must work with the homebuyer to assure that such decisions will comply with the local program guidelines; and no activities will be permitted without the approval of the Program Administrator.

II. Funding Decisions

The Program Administrator cannot approve CDBG financing or modify the awards made by the Project Review Committee. However, all such decisions must be reviewed by the Program Administrator to assure that they will comply with the local program guidelines; and no such decisions will be made without the recommendation of the Program Administrator.

2.0 Eligibility for Assistance

2.1 General Eligibility

Assistance is available under this program to assist income eligible households with the purchase and rehabilitation of a 1-4 family residential property.

The applicant must qualify as a First Time Homebuyer, as defined under Public Law 101-625, Title I, Section 104 or:

1. Has not owned a home within the past three years
2. Is a Displaced Homemaker
3. Is a Single Parent
4. Owns a Mobile Home located on a rent lot.

All applicants must complete the following:

1. Attend a Homebuyer Education Course offered by Neighbors of Watertown
2. Submit an application with required documents
 - a. Birth Certificates for all household members
 - b. Proof of income
 - c. Federal and State Income Tax Returns
 - d. Bank statements of checking and savings
3. Participate in one-on-one counseling for budgeting, affordability and maintaining a home.

2.2 Eligibility for CDBG Assistance

Financial assistance is available to help pay down payment, closing costs and eligible rehabilitation costs to persons who qualify under the Income Guidelines.

Purchase price of the property cannot exceed \$150,000. Maximum CDBG assistance per unit will not exceed \$25,000

2.3 Other Federal or State Assistance

Project financing may be received from other federal or state sources without affecting eligibility for assistance under this program. The assistance that is provided under this program may be used as the required match for other funding, unless that use is prohibited by the applicable regulations.

2.4 Property Liens

The City of Watertown will place a lien on each property assisted under this program to assure that the First Time Homebuyer complies with all applicable regulations during a ten year regulatory period that begins when rehabilitation work is completed, or at closing, whichever occurs first.

The Mortgage will be self-amortizing as long as the First Time Homebuyer retains ownership of the property as their primary residence and complies with all other requirements of the program. A Rider to the Note and Mortgage will be attached outlining the recapture provisions.

The Note will be satisfied and the Mortgage will be discharged when the ten year regulatory period expires provided the applicant has complied with all requirements of the program or repaid a portion of the financing as required. All documents that are required to discharge the Mortgage will be prepared by the First Time Homebuyer for review and approval by the City Comptroller and the First Time Homebuyer will be responsible for filing those documents and paying any required fees.

3.0 ELIGIBLE IMPROVEMENTS

3.1 Priority 1: Health and Safety Improvements

Financial assistance will be provided to homebuyers to make minor rehabilitation improvements in addition to assistance provided for down payments and closing costs. Eligible rehabilitation improvements will be prioritized as follows:

Generally, Priority 1 improvements are those work items necessary to make the property safe and bring it into compliance with applicable Building Codes. When any financial assistance is provided under this program, the scope of work for that project must include all Priority 1 improvements needed in the property. Those items include the following:

- a. **Code Compliance** – any work items required to comply with the New York State Uniform Fire Prevention Code, the New York State Building Code, and all local codes for existing construction.
- b. **Model Rehabilitation Standards** – any work items required to comply with model standards produced by the National Center for Healthy Housing as detailed in APPENDIX B of these guidelines.
- c. **Plumbing Systems** – any work items required to comply with the New York State Fire Prevention and Building Codes.
- d. **Electrical Wiring** – any work items required to comply with the model standards produced by the National Center for Healthy Housing as detailed in APPENDIX B of these guidelines.
- e. **Heating Systems** – installation or upgrading of heating systems to maintain a temperature of sixty-eight degrees Fahrenheit (Seventy-five degrees Fahrenheit for elderly).
- f. **Structural** – repair or replacement of any defective structural elements, including porches, foundations, support columns, bearing walls, roofs, subflooring, masonry, etc.
- g. **Windows & Doors** – repair or replacement of damaged windows or doors as required assuring comfort and safety and security.
- h. **Stairs and Platforms** – repair or replacement of any elements of stairs or platforms that might create hazardous conditions.
- i. **Lead-Based Paint** – appropriate treatment of lead-based paint hazards to comply with HUD regulations at 24 CFR Part 35.
- j. **Radon Gas** – work required to eliminate hazardous concentrations of radon gas in the structure.
- k. **Warning Systems** – all residential units must be equipped with adequate smoke detectors and carbon monoxide detectors.

3.2 **Priority 2: Energy Related Improvements**

Energy Conservation and weatherization improvements are eligible for assistance only if all conditions that might lead to health or safety problems (Priority 1) are being corrected or if none exists. Some of this work can be financed through the local Weatherization Program or by EmPower New York; and all cases should be referred to those agencies in order to maximize the funding available for each

project and to avoid duplication of efforts. Any energy related improvements that cannot be funded through the Weatherization Program or by EmPower can be considered as Priority 2 improvements under this program. Neighbors of Watertown, Inc. will assist each homebuyer with the following applications upon completion of the project, as these programs are limited to homeowners, only.

a. Weatherization Referral:

The Weatherization Program in Watertown is administered by the Community Action Planning Council of Jefferson County (CAPC). That agency will accept referrals and place them on its waiting list. Priority is given to lower income home owners who are elderly or handicapped and families with small children. Special consideration can also be given to applicants who are without heat and to other referrals from the Department of Social Services.

b. EmPower New York Referral:

The EmPower New York program is administered by private contractors with funding through the New York State Energy Research and Development Authority (NYSERDA) under an agreement with the Public Service Commission. Those contractors can provide energy-related services and improvements at no cost for income-qualified households, including attic and/or wall insulation, draft reduction measures, replacement of old inefficient appliances, installation of high-efficiency lighting, and tips on how to save energy.

c. Energy Audit:

An energy audit should be conducted on each property where improvements are to be completed with CDBG financing under this program. When assistance is also being provided through the Weatherization Program, staff from CAPC will perform an energy audit using the TIPS protocol detailed in Chapter 5 of the Weatherization Assistance program Policies and Procedures Manual. The EmPower contractor may use the results of that energy audit or perform his own tests to identify energy related improvements that are needed in the property.

3.3 Priority 3: Other Necessary Improvements

The following improvements are eligible for assistance only if all conditions that may lead to health and safety problems (Priority 1) and any energy conservation or weatherization deficiencies (Priority 2) are being corrected or if none exists.

- a. **Exterior Protection** – repair of and painting or covering of exterior surfaces, except existing wood siding and trim may not be covered with aluminum or vinyl unless no cost-effective alternate exists.
- b. **Exterior Wood Surfaces** – repair of damaged or deteriorated exterior wood surfaces, including siding, trim around windows and doors, roof fascia and cornices, porches (including supports, decks, steps and railings), etc. All rotted or broken materials should be replaced with similar materials milled and shaped to match the existing.
- c. **Interior Walls and Ceilings** – repair or covering of interior walls and ceilings that are damaged or deteriorated. Use of vapor barrier paints is encouraged to prevent moisture condensation within walls and ceilings adjacent to unheated spaces.
- d. **Floors** – repair of damaged or deteriorated floors and replacement of floor coverings that have worn out and cannot be maintained.
- e. **Kitchen Equipment** – repair or replacement of cooking equipment, refrigeration equipment and work and storage areas if the existing facilities are missing, inadequate, or inoperable.
- f. **Bathroom Fixtures** – repair or replacement of bathroom fixtures, including bathtub (or shower), toilet, sink, and medicine cabinet and waterproof surfaces to prevent water damage to adjacent areas.
- g. **Exterior Walkways** – repair or replacement of existing paved walkways between the structure and the street, driveway, or a public sidewalk adjacent to the property. The sidewalk may be repaired or replaced if necessary to eliminate existing hazardous conditions.
- h. **Utility Laterals** – repair or replacement of existing water, sewer, or gas laterals provided that such work is limited to the section of lateral that is the responsibility of the First Time Homebuyer.
- i. **Additions** – expansion into existing unfinished space (eg: in attics or porches) that is required to eliminate overcrowding or address special

needs of the occupants in an eligible housing unity, with specific approval by the Project Review Committee.

3.4 Applicable Standards

The following standards will apply to all properties where work is to be done with assistance under the First Time Homebuyer Program.

- a. **Code Compliance** – When the rehabilitation work is completed, each property must comply with all applicable codes, including the New York State Uniform Fire Prevention Code, the New York State Building Code, and all local codes and ordinances.
- b. **Lead-Based Paint** – any activities that disturb painted surfaces must comply with the regulations at 24CFR Part 35 unless the work qualifies under the minimum limitations detailed in §35.1350 of those regulations (see APPENDIX A)
- c. **Green Rehabilitation** – all improvements must be designed to promote energy conservation and healthy living conditions for the occupants of the property and their neighbors (see APPENDIX C)
- d. **Model Rehabilitation Standards** – the guidelines in the Model Rehabilitation Standards produced by the National Center for Healthy Housing are the minimum standards for all improvements to be completed with assistance under this program (see APPENDIX B)
- e. **Historic Preservation** – properties identified by the State Historic Preservation Office as having architectural or cultural significance will be rehabilitated in accordance with the Secretary of Interior’s “Standards for Rehabilitation” (see APPENDIX D)

3.5 Ineligible Improvements

The following improvements are not eligible for financial assistance under this program. They may be included in a project only if the First Time Homebuyer contributes cash to pay the full cost of this work.

- a. Replacement of any building systems, fixtures, or equipment that are determined by the Program Administrator to be adequate.
- b. Expansion of or addition to existing structures (including expansions into non-living space) unless required to eliminate overcrowding.

3.6 Contract Method

Generally, rehabilitation activities will be completed by local tradesmen working under contract to the First Time Homebuyer based on a detailed work write-up that has been approved by both the Program Administrator and the First Time Homebuyer, as follows:

- a. All contractors, and any subcontractors who they retain for this work, must be approved by the Program Administrator as qualified to participate in this program.
- b. A statement of Contractor Qualifications must be filed for each contractor or subcontractor before any contract is made for work to be completed under this program.
- c. Each contractor or subcontractor must provide proof of adequate insurance coverage and must maintain such coverage as long as any work is being performed under this program.
- d. The First Time Homebuyer will decide which contractors are invited to submit proposals and may select any qualified contractor for the work to be performed under this program. However, financial assistance will be calculated based on the lowest cost from all acceptable proposals received for that work.

3.7 Self-Help Method

The First Time Homebuyer may provide the labor for some or all of the improvements to be made with assistance under this program subject to the following conditions:

- a. The Program Administrator must be satisfied that the owner can complete the work in a competent manner and on a timely basis.
- b. The Eligible Cost will be limited to the actual cost of the materials used in the job with no allowance for labor by the owner or others.

3.8 Combination Self-Help & Contract Method

The First Time Homebuyer may choose to combine the self-help and contract methods with some work items performed by the contractors and others by the owner. In that case, however, all self-help work must be completed before any CDBG funds are advanced and before any contractor is permitted to begin working in the property.

4.0 FINANCIAL ASSISTANCE

CDBG financing will be available to support the purchase and rehabilitation of a home in the City of Watertown by an income eligible First Time Homebuyer. The financing will be provided as a deferred payment loan for the term of the regulatory period.

First Time Homebuyers will be considered when all the required eligibility documentation is provided. Homebuyers will be assisted on a first come, first ready basis.

4.1 Deferred Payment Loan

Deferred payment loans will be available to pay 100% of eligible costs to a maximum of \$25,000.00 per Residential Property. There will be no loan payment as long as the First Time Homebuyer occupies the property as their principal place of residence and complies with all program regulations.

- a. **Regulatory Period** – the First Time Homebuyer must agree to occupy the property as their principal residence for ten years after the rehabilitation is completed. If the property does not require rehabilitation then ten years after their loan closing with the first mortgage holder.
- b. **Repayment** – the First Time Homebuyer must repay a portion of the CDBG financing if the property is sold or the owner ceases to occupy it as their principle residence.

Repayment under the Note and Mortgage will be reduced by 10% per year that the First Time Homebuyer occupies the Property as their principal place of residence. No repayment will be required at the end of the ten year regulatory period if all requirements of the program have been satisfied.

4.2 Minimum Homebuyer Contribution

The First Time Homebuyer will be required to contribute cash to the project. The Minimum Homebuyer Contribution must equal:

- 1) An equity payment of 2% of Total Project Cost;
- 2) Assets in excess of 25% of the Total Project Costs; and
- 3) Any Rehabilitation costs that are deemed Excess Costs.

The Minimum Homebuyer Contribution may not be reduced by financing from other federal or state programs. The required contribution must be deposited with the Program Administrator before any rehabilitation work can begin on the property.

Selection Criteria

Applications for the First Time Homebuyer will be received by the Program Administrator. The Program Administrator will review applications to determine all required documentation and information has been provided to establish income and program eligibility. Applicants will be selected for assistance based upon a first come, first ready basis.

5.0 SPECIAL CONDITIONS

5.1 Subordination to Other Financing

When CDBG financing is provided for purchase and rehabilitation improvements under this First Time Homebuyer Program a lien is established on the property that is secured by a note and mortgage and recorded in the office of the County Clerk. That lien assures the homebuyer complies with all requirements of the program during the ten year regulatory period that begins when the rehabilitation work is completed.

Those liens become an issue when the property owner wants to refinance the primary mortgage or other debt that is secured by the property. That is because the bank that is considering the new loan will not allow its lien to be subordinate to any earlier liens on the property. That problem can be solved by paying off the earlier loans or getting each lien holder to subordinate to the new loan. Occasionally, a property owner will opt to repay the public financing rather than wait for a subordination to be processed; but most will request that the city agree to subordinate their lien to the new financing.

The homebuyer must submit a written request to the Program Administrator to be presented to the Project Review Committee for approval.

5.2 Mortgage Refinancing - under no circumstance will a subordination request be considered for the purpose of:

- 1) Consolidation of consumer debt;
- 2) Addressing issues related to marital separations;
- 3) Paying medical expenses; or
- 4) Any lender or loan product considered to be predatory.

A new loan may not exceed the balance due on the primary mortgage and other loans that are secured by the property, plus reasonable fees and closing costs, unless the excess cash is required for repairs or improvements that will address problems in the property or increase the property value.

- 5.3 Home Equity Conversion Mortgage (HECM)** – that will be made by an FHA approved lender provided that the “net equity” in the property will exceed the value of the city lien during the ten year regulatory period and all other retirements of the program have been satisfied.

The Project File must include a written request from the property owner together with all documentation required to support the subordination including a recent property appraisal, a copy of the loan application and details of all fees and closing costs for the new financing. All documents required for the subordination will be prepared by attorneys for the lender subject to review and approval by the Project Review Committee.

6.0 VERIFICATION OF ELIGIBILITY

Following is a description of the documentation that must be collected from each applicant to determine eligibility for assistance under the First Time Homebuyer Program. This documentation must be maintained in each Project File.

6.1 Income

The Program Administrator must verify the current annual Household Income of the applicant to determine eligibility. Household Income must include income from all sources for each adult member of the household (includes all person aged 18 or older). The following paragraphs detail the documentation that must be collected and maintained in the Project file for different types of income.

a. Salary or Wages

Copies of current payroll stubs, statements from employers, or other documentation as required to project the current annual income for each adult member of the household.

b. Social Security

A statement of benefits for the preceding year and the current year with copies of current checks to establish the gross benefit for each year household (including amounts withheld for Medicare).

c. Pensions

Statement(s) detailing the payments received during the preceding calendar year and current payments for pensions, IRA's, annuities, and other retirement benefits for each household.

d. Unemployment or Disability

Statements(s) detailing the payments received during the preceding calendar year and copies of checks received for unemployment, disability, or worker's compensation. Adjustments may be made by the Project Review Committee to account for temporary conditions that are not an accurate reflection of the Household Income.

e. Personal Assets

Details of all personal assets including documentation of current values and income generated during the previous year. Income will be projected for the current year and imputed for those assets that do not generate current interest or dividends.

f. Income from Real Estate

Details of all income from rental properties. The net amount of such income after deducting actual cash expenses related to those properties must be included in the Household Income.

g. Business Income

Net income from all business activities must be included in the Household Income. Schedule C of the federal tax return will be used to document business income. Any non-cash expenses that have been deducted (eg: depreciation or amortization deductions) and personal or household expenses that have been paid by the business will be added to the net business income.

h. Other Income

The Project Review Committee must decide whether adequate documentation has been provided for other sources of income that may have been received by any member of the household during the current year.

Households may not exceed 80% of Area Median Income as established and published annually by HUD.

6.2 Asset Test

The Program Administrator must determine that the property to be purchased is not above \$150,000 and that the applicant cannot afford to make necessary improvements with their own resources, including funds in savings or checking accounts, certificates of deposit, stocks and bonds, and the net value after subtracting outstanding debt of any other real property they own. Assets in excess of 25% of the Total Project Costs will be deemed available to assist with the purchase and rehabilitation of the property.

7.0 INSPECTION, WORK WRITE-UP AND CONTRACTOR SELECTION

The following paragraphs outline the process that will be used to identify eligible improvements and secure proposals from qualified local contractors who will perform the work under this program. It should be clearly understood that all decisions in this process will be made by the First Time Homebuyer. The Program Administrator will offer assistance and explain the requirements of the First Time Homebuyer Program to help the applicant qualify for grant and loan assistance. However Neighbors Of Watertown, Inc. does not assume any responsibility or liability for decisions made by the First Time Homebuyer or for work that is completed with assistance under this program.

7.1 Property Inspections

The Program Administrator will inspect the property with the owner and prepare an Inspection Report identifying all problems that should be addressed if assistance is to be provided under the program. All conditions that violate local codes and defects that might become health or safety hazards must be included (see Priority 1 Improvements – Section 4.1). The Inspection Report should also detail all energy conservation problems (see Priority 2 Improvements – Section 4.2) and other problems or defects (see Priority 3 Improvements – Section 4.3) that the First Time Homebuyer wants to address with assistance under this program.

7.2 Work Write-up

Based on the Inspection Report, the Program Administrator will prepare a Work Write-up detailing the improvements needed to eliminate all of the problems identified in the property. The Work Write-up outlines the general requirements and basic terms for all projects to be completed with assistance under this program. A written description will be added which lists each work item and specifies materials, equipment, construction methods, quantities, dimensions and other details for the proposed improvements. The Work Write-up should contain sufficient detail to allow contractors to submit competitive proposals.

For properties identified as having historic or architectural significance, the improvements detailed in the Work Write-up must correspond to the Secretary of Interior's "Standards for Rehabilitation" (see APPENDIX D). Those Write-ups must be approved by the State Historic Preservation Office (SHPO) before being released for contractor proposals.

The Program Administrator will prepare an estimate of the cost of all improvements in the Work Write-up for review with the First Time Homebuyer.

7.3 Lead-Based Paint – Compliance with Part 35 Regulations

Federal regulations at 24 CFR Part 35 require that special procedures be used for rehabilitation work on properties built before 1978. If that work is financed with federal funds, painted surfaces must be tested to determine whether lead-based paint is present (or lead-based paint may be presumed without testing); and any work that disturbs those painted surfaces must be performed by contractors who are trained to use "safe work practices" that will not create a hazard for young children in the property. When all work is completed, the work site must be inspected by a "certified" inspector to assure that no dust is present that is contaminated with lead-based paint.

7.4 Green Rehabilitation Practices

Green rehabilitation practices will be required to the maximum extent possible for all rehabilitation activities that are conducted under this program. The Green Rehabilitation Plan that is attached in APPENDIX B outlines the details that should be included in the scope of work for each project to improve the environment for the people who occupy those properties and to minimize the adverse affect of this work on the environment, including:

- a. Whenever appliances or equipment are to be replaced or installed, the new units should be Energy Star labeled to minimize energy use and the cost of energy for tenants of these properties.
- b. Wall, floor and joint penetrations should be sealed to reduce heat loss and prevent pest entry into the house.
- c. Adequate ventilation should be provided to avoid moisture problems especially in bathrooms and laundry rooms, which must be provided with mechanical ventilation directly to the outdoors. Materials in those rooms should be specified with smooth, durable, cleanable surfaces that discourage the growth of mold.
- d. Hot water pipes in basements or unconditioned spaces should be insulated to minimize heat loss and reduce energy consumption. Exposed cold water pipes in conditions spaces should also be insulated to minimize moisture condensation.
- e. Energy Star labeled low flow fixtures should be specified when water fixtures are to be installed or replaced.
- f. To the extent possible, building materials that are used in these projects should be Green Seal certified to contain low or no volatile organic compounds (VOC) that might be hazardous to the residents or the workers. That includes paints, adhesives and sealants that are used on each project. It could also include particleboard or medium density fiberboard and carpet materials.
- g. Appropriate radon reduction measures must be included in any property where testing reveals radon levels above 4pCi/L.
- h. Contractors should minimize construction waste and maximize the use of materials with recycled content in all activities that are financed under this program.

When the work is completed, each First Time Homebuyer should be given a copy of the “Healthy Homes Maintenance Checklist” (see APPENDIX B) to use as a guide for periodic inspection and maintenance of their property.

7.5 Solicitation of Proposals

The Program Administrator will meet with the First Time Homebuyer and review all materials prepared to solicit proposals for work on the property, including an analysis of the grant and loan assistance that might be available based on the

proposed scope of work and cost estimate. If these details are acceptable to the First Time Homebuyer, the Program Administrator will be authorized to prepare a package for distribution to contractors who are qualified to complete the work. The First Time Homebuyer may pre-select those contractors who will be asked to submit proposals from a list of qualified contractors provided by the Program Administrator.

Written proposals will be received at the office of the Program Administrator on forms that are prepared for each project. All proposals will be opened at a specified date and time and reviewed by the Program Administrator for completeness and acceptability under these guidelines. Proposals that are incomplete or irregular may be rejected by the Program Administrator or the property owner.

All acceptable proposals from qualified contractors will be listed on a Proposal Tabulation for review by the First Time Homebuyer. The First Time Homebuyer must decide which work items will be included in the contract for his or her property. However, it should be understood that all Priority 1 items (see Section 4.1 of these guidelines) must be included if any grant or loan assistance is to be provided under this program.

7.6 Selection of Contractor

The First Time Homebuyer may select any qualified contractor who submits an acceptable proposal for the activities detailed in the Work Write-up. However, it should be understood that the grant and loan assistance will be calculated on the basis of the lowest acceptable proposal received from all qualified contractors in this process. If another proposal is accepted, the First Time Homebuyer will be required to pay the difference between the amount of the accepted proposal and the lowest acceptable proposal received. That Excess Cost will be included in the minimum owner contribution.

7.7 Contractor Qualifications

All contractors performing work under this program must be approved by the Program Administrator based on their comparable work, credit checks and other references. The contractor must carry sufficient liability and builder's risk insurance (minimum \$1,000,000 coverage) and worker's compensation and disability insurance as required by New York State Law.

8.0 PROJECT FILE

Once the homebuyer has obtained a pre-qualification from a bank and a contractor has been selected, the Program Administrator will assemble a Project File for review by the Project Review Committee. The contents of that file are detailed below.

8.1 Application for Assistance

The following materials will constitute a complete Application for Assistance under this program:

- a. The Application with documentation of Homebuyer Education Course completion, income, bank pre-qualification, and affordability analysis.
- b. The Inspection Report listing all code violations and other problems identified in the property.
- c. The Work Write-up detailing all improvements needed to eliminate the problems identified in the property.
- d. Copies of all Proposals received from qualified contractors for this work.
- e. The Proposal Tabulation listing the contractor selected and those work items accepted by the property owner.
- f. The Application for Assistance detailing the sources of all funds for the proposed project.

8.2 Insurance and Taxes

Each applicant must provide documentation to show that adequate insurance is in force for the property to be rehabilitated and that all real estate taxes and other local service charges have been paid for all properties owned by the applicant in the City of Watertown, as follows:

- a. **Hazard Insurance** - A copy of the current insurance binder must be maintained in the project file. NOWI must be satisfied that the insurance coverage is adequate for the property and the improvements to be made with assistance under this program.
- b. **Flood Insurance** - If the property is located in a 100-Year Flood Plain, adequate flood insurance must be secured and a copy of the insurance binder must be maintained in the project file.

- c. **Real Estate Taxes** - The project file must include copies of the latest tax bills (including city, county, and school taxes) stamped to show receipt of payment in full. As an alternative, NOWI may accept a written statement from each jurisdiction to document current payment of all taxes on all properties owned in the City of Watertown.
- d. **Water and Sewer Charges** - The project file must include copies of the latest water and sewer bills stamped to show receipt of payment in full. Alternatively, NOWI may accept a written statement from the City Comptroller to document current payment of these charges.

8.3 Project Agreement

After review of the Application, the Project Review Committee may approve the grant. The Program Administrator will then prepare a Project Agreement specifying the amount of the grant and any required owner contribution and detailing all program requirements that must be met during the course of the project and for a period of ten years after all work is completed.

8.4 Note and Mortgage

A Note and Mortgage will be required to secure repayment of the CDBG loan financing and to assure compliance with residency requirements. Those documents will be prepared by Neighbors of Watertown and recorded in the County Clerk's office.

8.5 Down Payment and Closing Costs

The Program Administrator will issue an Award Letter to the homebuyer. This letter will outline what funds are available to assist with down payment, closing costs and rehabilitation cost of the property. This will lock in funding for a period of 30 days to enable the homebuyer time to apply for and obtain bank financing.

9.0 CONSTRUCTION CONTRACT

Following approval of the grant by the Project Review Committee and mortgage commitment from the homebuyer's bank and closing of the property, the Program Administrator will prepare a Construction Contract for review and execution by the homebuyer and the contractor. The following steps will be completed before the contract is executed and work is begun:

9.1 Escrow Account

In all cases where the homebuyer is required to contribute to the cost of rehabilitation activities, the full amount of the contribution must be delivered to the Program Administrator for deposit in a special escrow account to be controlled by Neighbors of Watertown. Those funds will be used for payments to the contractor before any grant or loan funds are advanced.

9.2 Subcontractor Approval

Subcontractors must submit Contractor Qualifications and proof of insurance and be approved by the Program Administrator and the homebuyer before they may work on the project.

9.3 Self-Help Method

In those cases where work will be performed by the Self-Help Method, the owner will provide the Program Administrator with a list of materials and equipment required for that work and the estimated cost to be incurred. The Program Administrator will review this list and help establish a schedule of activities before any work can proceed.

9.4 Pre-Construction Conference

A conference will be held including the Program Administrator, contractor and homebuyer. The construction contract may be signed after all parties have reviewed the scope of work and contract provisions.

9.5 Notice to Proceed

After all insurance binders are in the Project File and the owner contribution is deposited in escrow (if applicable), a Notice to Proceed will be given to the contractor specifying a start date and a maximum time period for the completion of all construction activities.

10.0 INSPECTION AND PAYMENTS

The following paragraphs detail the procedures to be used for inspection of the work and payments to the contractor during the construction process. It should be understood that all decisions regarding the work and all payment requests will be made by the homebuyer. The Program Administrator is not party to the construction contract and assumes no responsibility or liability for the progress or quality of the work or for any payments to the contractor.

When each phase of the construction work is completed and the homebuyer is satisfied with the work, payment will be made from the escrow account (owner contribution) or from grant and loan funds that have been approved for each project. The Program Administrator will work with the homebuyer during the course of the project to help assure that all requirements of these Guidelines are satisfied and payments can be made when the work is completed.

10.1 Construction Inspections

The Program Administrator will make periodic inspections of the work in progress as required by the type of activities involved in each project. These inspections should be documented in the Project File to provide a record of the work and any problems that are identified during the inspections. Those reports should also be reviewed with the homebuyer to assure that there are no problems that have been overlooked during the periodic inspections.

10.2 Payment Inspections

An inspection of the work in place will be required before any final payment can be considered. The homebuyer and the contractor should be present at all inspections. An Inspection Report will be prepared for the final payment. That report will be reviewed with the homebuyer and the contractor to assure that both parties agree about the items of work that have been completed and for which payment is being requested. The Program Administrator will sign the Inspection Report indicating compliance with the program Guidelines. The homebuyer will sign the Inspection Report indicating acceptance of the work and authorization for the payment being requested. A Payment Authorization must be completed and signed by the homebuyer and the Program Administrator before any payment is approved.

10.3 Payments

Payments may be made when significant portions of the work are completed. Each progress payment will be considered after receipt of a detailed invoice from the contractor. A payment inspection will be conducted to verify that the work is satisfactorily completed.

Ten percent of each progress payment will be withheld until all work is satisfactorily completed; and this withheld amount will be included in the final payment. Progress payments may be considered only for work that is completed in place – there will be no payment for materials stored on site or elsewhere.

In those cases where the homebuyer is required to contribute to the cost of this work, the homebuyer's funds will be used for progress payments before any grant or loan funds are used. After approval of each payment a check will be made out to both the homebuyer and contractor and must be endorsed by the homebuyer prior to release to the contractor.

Before final payment, the contractor will supply the homebuyer with a copy of all equipment manuals and manufacturer's warranties and sign a Release of Liens and Warranty.

10.4 Pre-Payments

There will be no pre-payments to contractors or to homebuyers for materials or labor. All work must be completed and materials installed on the site before any payment request will be considered with grant or loan funds or funds supplied by the homebuyer.

10.5 Self-Help

The Program Administrator will inspect all work that the homebuyer completes by the self-help method to assure that the work is properly done and all requirements of these guidelines are satisfied. An Inspection Report will be completed and signed by the Program Administrator and the homebuyer for each payment.

Payments for work completed by the self-help method will be made based on the original supplier's invoices for materials used on work items actually completed and in place. All invoices should be clearly labeled with the address of the property being rehabilitated, a detailed listing of all materials and the date the materials were purchased or delivered.

10.6 Change Orders

Change Orders will be considered only for unforeseen problems that are found during the course of the work. However, no Change Order will be considered unless the change is necessary to complete the activities that were included in the approved scope of work for which grant and loan assistance was awarded.

The homebuyer or the contractor must advise the Program Administrator when problems are identified that require a Change Order. An inspection will be conducted and an Inspection Report prepared to document the problem, outline the work required and detail the cost proposed by the contractor to resolve the problem.

If all parties agree with the proposed change, the Program Administrator will prepare a Change Order for consideration at the next meeting of the Project Review Committee. Any increase in the project cost must be approved by the Project Review Committee before grant or loan funds can be used for a Change Order. If additional owner contribution is required, that amount must be deposited in the escrow account before the contractor is permitted to work on those activities covered by the Change Order.

10.7 Final Payment

A request for final payment will be considered only after all work included in the construction contract has been completed to the satisfaction of the homebuyer. A final inspection will be conducted with the homebuyer and the contractor; and an Inspection Report will be prepared documenting the status of all activities. The Program Administrator will sign the Inspection Report indicating compliance with the program guidelines. The homebuyer will sign the Inspection Report indicating acceptance of the work and authorization for payment. A Payment Authorization must be signed by the owner and the Program Administrator before the final payment is approved.

Before the final payment is released, the homebuyer will sign a Certificate of Completion; and the Program Administrator will prepare a Disposition of Funds Report.

The final payment will include all amounts withheld from progress payments during the course of the work. The final check will be made out to the homebuyer and the contractor and must be endorsed by the homebuyer before delivery to the contractor. The contractor must deliver a Release of Liens and Warranty before the check is released.

Res No. 9

December 11, 2017

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: New York State Retirement System – Standard Work Day Reporting

The City's retirement system processes were also reviewed as a part of the recent Information Technology audit conducted by the New York State Comptrollers' Office. The only issue that arose was the need for the City to establish a standard work day for the Crossing Guard position.

Accordingly, a resolution has been prepared for City Council consideration to add the Crossing Guard position to the list of standard work days.

RESOLUTION

Page 1 of 5

Establishing Standard Work Days
For New York State Retirement
System Reporting

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the New York State Retirement System requires that a participating employer establish the number of hours that constitutes a standard work day for each position in order to calculate a member's service credits, and

WHEREAS City Council establishes the standard work days for all positions,

NOW THEREFORE BE IT RESOLVED, that the City of Watertown (Location Code 20056) hereby establishes the following standard work days for its employees and will report days worked to the New York State and Local Employees' Retirement System based on the time keeping system or the record of activities maintained and submitted by these members to the clerk of this body:

<u>Title</u>	<u>Standard Work Day (Hours/day)</u>
Account Clerk Typist	7.00
Accountant	7.00
Administrative Specialist – Part-time	7.00
Assessor	7.00
Assistant Superintendent of Parks and Recreation	7.00
Assistant Superintendent of Department of Public Works	8.00
Battalion Fire Chief	8.00
Benefits Administrator	7.00
Building Maintenance Worker	8.00
Bus Driver	8.00
CAD Technician	7.00
Chief Waste Water Treatment Plant Operator	8.00
Chief Water Treatment Plant Operator	8.00
City Clerk	7.00

RESOLUTION

Page 2 of 5

Establishing Standard Work Days
For New York State Retirement
System Reporting

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

City Comptroller	7.00
City Engineer	7.00
City Manager	7.00
Civil Engineer I	7.00
Civil Engineer II	7.00
Clerk	7.00
Code Enforcement	7.00
Code Enforcement Aide	7.00
Code Enforcement Supervisor	7.00
Confidential Secretary to the City Manager	7.00
Crew Chief	8.00
Crossing Guard	6.00
Custodial and Maintenance Supervisor	7.00
Deputy City Clerk	7.00
Deputy City Comptroller	7.00
Deputy Fire Chief	7.00
Engineering Technician	8.00
Executive Secretary to the Civil Service Commission	7.00
Fire Captain	8.00
Fire Chief	7.00
Firefighter	8.00
GIS Coordinator	7.00
GIS Technician	7.00
Head Bus Driver	8.00
Human Resources Manager	7.00
Industrial Pre-Treatment Lab Technician	8.00
Information Services Technician	7.00
Information Technology Manager	7.00
Information Technology Project Manager	7.00
Information Technology Support Assistant	7.00
Lab Technician	8.00
Laborer I	8.00
Laborer - Temporary	8.00

RESOLUTION

Page 3 of 5

Establishing Standard Work Days
For New York State Retirement
System Reporting

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Librarian I	7.00
Librarian II	7.00
Library Clerk	7.00
Library Director	7.00
Lifeguard I	8.00
Lifeguard II	8.00
Line Crew Chief	8.00
Lineworker I	8.00
Lineworker II	8.00
Motor Equipment Mechanic	8.00
Motor Equipment Operator (Heavy)	8.00
Motor Equipment Operator (Light)	8.00
Municipal Worker I	8.00
Page	7.00
Parks and Recreation Attendant	7.00
Parks and Recreation Leader	7.00
Parks and Recreation Maintenance Worker	8.00
Planner	7.00
Planning and Community Development Director	7.00
Police Captain	7.00
Police Chief	7.00
Police Detective	8.00
Police Lieutenant	8.00
Police Officer	8.00
Police Sergeant	8.00
Principal Account Clerk	7.00
Principal Library Clerk	7.00
Purchasing Manager	7.00
Real Property Appraiser	7.00
Real Property Tax Service Aide	7.00
Records Clerk	7.00
Records Clerk / Parking Enforcement Officer	7.00
Refuse/Recycle Motor Equipment Operator	8.00

RESOLUTION

Page 4 of 5

Establishing Standard Work Days
For New York State Retirement
System Reporting

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

SCADA Technician	7.00
Secretary	7.00
Senior Account Clerk Typist	7.00
Senior Clerk	7.00
Senior Code Enforcement Officer	7.00
Senior Engineering Technician	7.00
Senior Library Clerk	7.00
Senior Planner	7.00
Sign Maintenance Worker	8.00
Stock Attendant	8.00
Street and Sewer Maintenance Supervisor	8.00
Student Intern	7.00
Superintendent of Parks and Recreation	7.00
Superintendent of Public Works	7.00
Superintendent of Water	7.00
Supervising Lifeguard	8.00
Transit Supervisor	8.00
Tree Trimmer	8.00
Wastewater Treatment Plant Lab Technician	8.00
Wastewater Treatment Plant Maintenance Supervisor	8.00
Wastewater Treatment Plant Process Worker I	8.00
Wastewater Treatment Plant Process Worker II	8.00
Wastewater Treatment Plant Process Worker III	8.00
Wastewater Treatment Plant Process Worker Trainee	8.00
Water Distribution System Operator	8.00
Water Distribution System Supervisor	8.00
Water Maintenance Mechanic	8.00
Water Meter Reader	7.00
Water Meter Service Mechanic	8.00
Water Treatment Plant Maintenance Mechanic	8.00
Water Treatment Plant Maintenance Supervisor	8.00
Water Treatment Plant Operator	8.00
Water Treatment Plant Operator /Trainee	8.00

RESOLUTION

Page 5 of 5

Establishing Standard Work Days
For New York State Retirement
System Reporting

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

On this 18th day of December 2017,

(Signature of Clerk)

Date enacted _____

I, Ann M. Saunders, Clerk of the governing board of the City of Watertown, of the State of New York, do hereby certify that I have compared the foregoing with the original resolution passed by such board, at a legally convened meeting held on the 18th day of December 2017 on file as part of the minutes of such meeting, and the same is a true copy thereof and whole of such original.

I further certify that the full board consists of 5 members and that _____ of such members were present at such meeting and that _____ of such members voted in favor of the above resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Watertown.

Seconded by

Res No. 10

December 13, 2017

To: The Honorable Mayor and City Council

From: Vicky L. Murphy, Water Superintendent

Subject: Accepting the NYS Water Infrastructure Improvement Act Grant for the Water Pollution Control Plant Influent Screening and Grit Improvement Project

In June of this year, the City submitted a New York State (NYS) Water Infrastructure Improvement Act (WIIA) application for the Water Pollution Control Plant (WPCP) Influent Screening and Grit Improvement Project.

On October 11, 2017, Governor Cuomo announced that the City of Watertown had been awarded a NYS Water Infrastructure Improvement Act grant for the above Project in an amount not to exceed \$412,500.

The attached resolution authorizes the City Manager, Sharon Addison, to enter into and execute the Grant Agreement on behalf of the City.

RESOLUTION

Page 1 of 1

Accepting the NYS Water Infrastructure Improvement Act Grant for the Water Pollution Control Plant Influent Screening and Grit Improvement Project

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown applied for a New York State Water Infrastructure Improvement Act Grant in June of 2017, and

WHEREAS the Governor announced on October 11, 2017 that the City of Watertown had been awarded a NYS Water infrastructure Improvement Act grant for the Water Pollution Control Plant Influent Screening and Grit Improvements Project in an amount not to exceed four hundred twelve thousand five hundred dollars (\$412,500), and

WHEREAS the City of Watertown will need to fulfill all of the criteria necessary to receive this grant, and

WHEREAS the City must enter into and execute a Grant Agreement with Environmental Facilities Corporation for the project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown wishes to enter into a Grant Agreement with the Environmental Facilities Corporation, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is hereby authorized and directed to enter into and execute the Grant Agreement on behalf of the City of Watertown.

Seconded by



Environmental Facilities Corporation

ANDREW M. CUOMO
Governor

SABRINA M. TY
President and CEO

October 11, 2017

The Honorable Joseph Butler, Jr.
Mayor
City of Watertown
245 Washington St
Watertown, NY 13601

Re: Project No. C6-6022-05-00
Water Pollution Control Plant Influent Screening and Grit Removal
City of Watertown
Jefferson County

Dear Mayor Butler, Jr.:

On behalf of Governor Andrew M. Cuomo, I am pleased to inform you that your community has been awarded a NYS Water Infrastructure Improvement Act (WIIA) grant for the above referenced project.

Your WIIA grant has been awarded in an amount not to exceed \$412,500, based on information provided in your application, including total estimated eligible project costs. The Environmental Facilities Corporation (EFC) will determine the actual amount of your grant when the project is complete and EFC confirms the final project costs. Your grant may be reduced if total project costs are less than anticipated, or if your project receives grant from another source.

Please confirm your acceptance of the grant award and intent to proceed with this project by completing and signing the enclosed form and e-mailing it to nyswatergrants@efc.ny.gov no later than **October 27, 2017**. Without your confirmation, we may bypass your project and award these grant funds to another community. If you choose to proceed with entering into a grant agreement with EFC, unless otherwise notified by the Corporation, the Town must execute a grant agreement no later than April 15, 2019 or the grant award may be forfeited. By confirming your intent to accept this grant, you are also confirming your intent to proceed without Clean Water State Revolving Fund (CWSRF) financial assistance.

Upon receipt of confirmation, members of our EFC team will contact you to guide you through the program requirements and grant process and to answer any of your questions.

We appreciate your interest in the WIIA program. We look forward to working with you on your water quality improvement project.

Sincerely,

Sabrina M. Ty
President and CEO

Enclosure

cc.: GHD – Mr. Jason Greene, P.E.
City of Watertown – Vicky Murphy

Ord. No. 1

December 5, 2017

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Bond Ordinance – Replacement of Grit Removal Equipment at the Waste Water Treatment Plant

Included in the Fiscal Year 2017-18 Capital Budget was a project to replace the grit removal equipment at the waste water treatment plant at an estimated cost of \$750,000. A bond ordinance has been prepared for City Council consideration to finance the project.

ORDINANCE

Page 1 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced by

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on December 18, 2017, at 7:00 o'clock P.M., Prevailing Time.

The meeting was called to order by _____, and upon roll being called, the following were

PRESENT:

ABSENT:

The following ordinance was offered by Council Member _____, who moved its adoption, seconded by Council Member _____, to wit:

BOND ORDINANCE DATED DECEMBER 18, 2017.

WHEREAS, all conditions precedent to the financing of the capital purposes hereinafter described, including compliance with the provisions of the State Environmental Quality Review Act to the extent required, have been performed; and

WHEREAS, it is now desired to authorize the financing of such capital project; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of Watertown, Jefferson County, New York, as follows:

ORDINANCE

Page 2 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Section 1. For the specific object or purpose of paying the cost of the replacement of grit removal equipment at the City's Waste water Treatment Plant, including incidental expenses in connection therewith, all in and for the City of Watertown, Jefferson County, New York, there are hereby authorized to be issued \$750,000 bonds of said City pursuant to the provisions of the Local Finance Law.

Section 2. It is hereby determined that the estimated maximum cost of the aforesaid specific object or purpose is \$750,000 and that the plan for the financing thereof is by the issuance of the \$750,000 bonds of said City authorized to be issued pursuant to this bond ordinance; provided, however, that the amount of bonds ultimately to be issued will be reduced by the amount of any State and, or Federal aid or any other revenue received by the City from other sources for such specific object or purpose, which monies are hereby appropriated therefor.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is thirty years, pursuant to subdivision four of paragraph a of Section 11.00 of the Local Finance Law.

Section 4. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the bonds herein authorized, including renewals of such notes, is hereby delegated to the City Comptroller, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said City Comptroller, consistent with the provisions of the Local Finance Law.

Section 5. The faith and credit of said City of Watertown, Jefferson County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year.

Section 6. Such bonds shall be in fully registered form and shall be signed in the name of the City of Watertown, Jefferson County, New York, by the manual or facsimile signature of the City Comptroller and a facsimile of its corporate seal shall be imprinted thereon and may be attested by the manual or facsimile signature of the City Clerk.

ORDINANCE

Page 3 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Section 7. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the City Comptroller, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of the City, including, but not limited to, the power to sell said bonds to the New York State Environmental Facilities Corporation; provided, however, that in the exercise of these delegated powers, he shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the City Comptroller shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 8. The power to issue and sell notes to the New York State Environmental Facilities Corporation pursuant to Section 169.00 of the Local Finance Law is hereby delegated to the City Comptroller. Such notes shall be of such terms, form and contents as may be prescribed by said City Comptroller consistent with the provisions of the Local Finance Law.

Section 9. The City Comptroller is hereby further authorized, at his or her sole discretion, to execute a project financing agreement, and any other agreements with the New York State Department of Environmental Conservation and/or the New York State Environmental Facilities Corporation, including amendments thereto, and including any instruments (or amendments thereto) in the effectuation thereof, in order to effect the financing or refinancing of the specific object or purpose described in Section 1 hereof, or a portion thereof, by a bond, and, or note issue of said City in the event of the sale of same to the New York State Environmental Facilities Corporation.

Section 10. The intent of this resolution is to give the City Comptroller sufficient authority to execute those applications, agreements, instruments or to do any similar acts necessary to effect the issuance of the aforesaid bonds and, or notes, without resorting to further action of the City Council.

Section 11. All other matters, except as provided herein relating to such bonds, including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds,

ORDINANCE

Page 4 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the City by the facsimile signature of its City Comptroller, providing for the manual countersignature of a fiscal agent or of a designated official of the City), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the City Comptroller. It is hereby determined that it is to the financial advantage of the City not to impose and collect from registered owners of such bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in Section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by Section 52.00 of the Local Finance Law, as the City Comptroller shall determine.

Section 12. The validity of such bonds and bond anticipation notes may be contested only if:

- (1) Such obligations are authorized for an object or purpose for which said City is not authorized to expend money, or
- (2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 13. This resolution shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.151-2. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 14. This ordinance, which takes effect immediately, shall be published in summary in the *Watertown Daily Times*, the official newspaper, together with a notice of the City Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

ORDINANCE

Page 5 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Unanimous consent moved by Council Member _____,
 seconded by Council Member _____, with all voting "AYE".

The question of the adoption of the foregoing ordinance was duly put to a vote on roll call, which resulted as follows:

_____	VOTING	_____
_____	VOTING	_____
_____	VOTING	_____
_____	VOTING	_____
_____	VOTING	_____

The ordinance was thereupon declared duly adopted.

* * *

APPROVED BY THE MAYOR

_____, 2017.
 Mayor

YEA	NAY

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark. C.

Mayor BUTLER, Jr., Joseph M.

Total

Total

Figure 1. Schematic representation of the experimental design. The subjects were divided into two groups: the control group and the experimental group. The control group was divided into two subgroups: the control group and the control group. The experimental group was divided into two subgroups: the experimental group and the experimental group.

[illegible]

ORDINANCE

Page 7 of 7

An Ordinance Authorizing the Issuance of \$750,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Cost of the Replacement of Grit Removal Equipment at the City's Waste Water Treatment Plant, in and for Said City

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark. C.
 Mayor BUTLER, Jr., Joseph M.
 Total

YEA	NAY

Regular meeting of the City Council held in accordance with Section 14-1 of the Municipal Code

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on October _____, 2017.

 City Clerk
 (CORPORATE SEAL)

Laid Over Under the Rules

Local Law No. 5 of 2017

December 13, 2017

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Local Law No. 5 of 2017 - Establishment of a Contingency and Tax Stabilization Reserve Fund Pursuant to New York General Municipal Law Section 6-e

On December 4, 2017, City Council considered establishing a Contingency and Tax Stabilization Reserve Fund in accordance with New York State General Municipal Law section 6-e and set a public hearing for 7:30 p.m. on December 18, 2017.

The purpose of establishing this reserve fund is to allow the City to begin saving funds to lessen the financial impact of the revenue that will be lost when the Power Purchase Agreement with National Grid to purchase the City's excess electricity from its hydro-electric facility expires December 31, 2030.

LOCAL LAW

Page 1 of 1

A Local Law establishing a Contingency
and Tax Stabilization Reserve Fund
Pursuant to New York General Municipal
Law Section 6-e

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

YEA	NAY

Introduced byCouncil Member Stephen A. Jennings

A Local Law establishing a Contingency and Tax Stabilization Reserve Fund pursuant to New York General Municipal Law Section 6-e.

WHEREAS, the City Council of the City of Watertown desires to begin planning for the expiration of the City's Power Purchase Agreement with National Grid, pursuant to which National Grid's purchase of the City's generated hydro-electric power in excess of the City's needs contributes to the City's General Fund; and

WHEREAS, The City does not currently have an established Contingency and Tax Stabilization Reserve Fund which can assist in planning for the expiration of the Power Purchase Agreement; and

WHEREAS, Section 6-e of the General Municipal Law authorizes the City Council to establish a Contingency and Tax Stabilization Reserve Fund subject to the permissive referendum provisions contained at Sections 24 through 26 of the New York Municipal Home Rule Law;

NOW THEREFORE BE IT ENACTED by the City Council of the City of Watertown, New York that a Contingency and Tax Stabilization Reserve Fund shall be established, to be governed by the provisions of Section 6-e of the New York General Municipal Law; and

BE IT FURTHER ENACTED that this Local Law shall take effect forty-five days after its filing with the New York Secretary of State, unless submitted to referendum on petition pursuant to Section 24(1)(a) of the New York Municipal Home Rule Law.

Seconded by Council Member Teresa R. Macaluso

December 8, 2017

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Sale of Surplus Hydro-electricity – November 2017

The City has received the monthly hydro-electricity production and consumption data from National Grid. In comparison to last November, the sale of surplus hydro-electric power on an actual to actual basis was up \$213,903 or 53.91%. In comparison to the original budget projection for the month, revenue was up \$188,766 or 44.74%.

The year-to-date actual revenue is up \$932,913 or 95.21% while the year-to-date revenue on a budget basis is up \$803,213 or 72.39%. Year-to-date revenue is at \$1,912,796.

The attached spreadsheet shows the monthly revenues for this year and last year along with the budgeted amounts. Revenues for the Fiscal Years' 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 have been included for historical perspective.

	<u>Actual 2012-13</u>	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>
July	\$ 821	\$ 382,759	\$ 286,952	\$ 321,539	\$ 73,815	\$ 644,519	\$ 570,704	773.16%
August	\$ 2,060	\$ 115,769	\$ 293,338	\$ 11,805	\$ 278,611	\$ 308,911	\$ 30,300	10.88%
September	\$ 17,605	\$ 48,478	\$ 38,778	\$ 14,857	\$ 22,118	\$ 129,629	\$ 107,511	486.08%
October	\$ 261,082	\$ 237,797	\$ 296,432	\$ 260,804	\$ 208,586	\$ 219,082	\$ 10,495	5.03%
November	\$ 105,694	\$ 473,459	\$ 331,977	\$ 393,589	\$ 396,753	\$ 610,656	\$ 213,903	53.91%
December	\$ 356,383	\$ 323,081	\$ 502,018	\$ 542,231	\$ 470,259	\$ -		0.00%
January	\$ 179,469	\$ 240,183	\$ 246,137	\$ 380,018	\$ 481,938	\$ -		0.00%
February	\$ 160,026	\$ 225,629	\$ 158,920	\$ 440,304	\$ 325,684	\$ -		0.00%
March	\$ 338,154	\$ 232,743	\$ 154,182	\$ 634,598	\$ 418,328	\$ -		0.00%
April	\$ 551,360	\$ 468,075	\$ 577,742	\$ 555,833	\$ 688,018	\$ -		0.00%
May	\$ 324,167	\$ 660,449	\$ 192,410	\$ 275,751	\$ 711,278	\$ -		0.00%
June	\$ 474,813	\$ 421,856	\$ 638,045	\$ 162,659	\$ 681,514	\$ -		0.00%
YTD	<u>\$ 2,771,633</u>	<u>\$ 3,830,277</u>	<u>\$ 3,716,931</u>	<u>\$ 3,993,988</u>	<u>\$ 4,756,903</u>	<u>\$ 1,912,796</u>	<u>\$ 932,913</u>	<u>95.21%</u>

	Original Budget				
	2017-18	Actual 2017-18	Variance		%
July	\$ 178,702	\$ 644,519	\$ 465,817		260.67%
August	\$ 151,717	\$ 308,911	\$ 157,194		103.61%
September	\$ 23,080	\$ 129,629	\$ 106,549		461.65%
October	\$ 334,194	\$ 219,082	\$ (115,112)		-34.44%
November	\$ 421,890	\$ 610,656	\$ 188,766		44.74%
December	\$ 385,045	\$ -			0.00%
January	\$ 306,729	\$ -			0.00%
February	\$ 230,890	\$ -			0.00%
March	\$ 411,019	\$ -			0.00%
April	\$ 589,841	\$ -			0.00%
May	\$ 466,713	\$ -			0.00%
June	\$ 320,180	\$ -			0.00%
YTD	\$ 3,820,000	\$ 1,912,796	\$ 803,213		72.39%

December 14, 2017

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Sales Tax Revenue – November 2017

The City has received the monthly sales tax revenue amount from Jefferson County. In comparison to last November, sales tax revenue on an actual to actual basis was up \$80,099 or 5.91%. In comparison to the original budget projection for the month, sales tax was up \$45,238 or 3.25%.

The year-to-date actual receipts are up \$202,098 or 2.66% while the year-to-date receipts on a budget basis are up \$6,511 or 0.08%. Year-to-date sales tax revenue finished at \$7,807,472.

The attached spreadsheet shows the detail collections for this year and last year along with the budgeted amounts. Collections for the Fiscal Years' 2013-14, 2014-15, 2015-16 and 2016-17 have been included for historical perspective.

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>	<u>Quarterly Variance</u>	<u>% Inc/(Dec) to Prior Quarter</u>
July	\$ 1,492,579	\$ 1,412,829	\$ 1,509,325	\$ 1,536,214	\$ 1,573,554	\$ 37,340	2.43%		
August	\$ 1,463,877	\$ 1,247,954	\$ 1,494,788	\$ 1,435,666	\$ 1,498,230	\$ 62,564	4.36%		
September	\$ 1,760,254	\$ 2,206,655	\$ 1,683,486	\$ 1,982,777	\$ 1,918,505	\$ (64,272)	-3.24%	35,631	0.72%
October	\$ 1,584,174	\$ 1,405,774	\$ 1,339,731	\$ 1,295,166	\$ 1,381,534	\$ 86,368	6.67%		
November	\$ 1,116,784	\$ 1,398,402	\$ 1,375,619	\$ 1,355,551	\$ 1,435,650	\$ 80,099	5.91%		
December	\$ 1,543,425	\$ 1,540,727	\$ 1,351,562	\$ 1,752,250	\$ -			166,467	3.78%
January	\$ 1,238,468	\$ 1,261,235	\$ 1,332,286	\$ 1,363,372	\$ -				
February	\$ 1,076,005	\$ 1,059,321	\$ 1,084,467	\$ 1,087,663	\$ -				
March	\$ 1,471,964	\$ 1,295,074	\$ 1,426,339	\$ 1,548,314	\$ -			-	0.00%
April	\$ 1,271,765	\$ 1,286,204	\$ 1,333,096	\$ 1,313,100	\$ -				
May	\$ 1,298,653	\$ 1,288,547	\$ 1,348,173	\$ 1,325,536	\$ -				
June	\$ 1,699,052	\$ 1,726,963	\$ 1,789,321	\$ 1,821,198	\$ -			-	0.00%
YTD	<u>\$ 17,017,001</u>	<u>\$ 17,129,685</u>	<u>\$ 17,068,193</u>	<u>\$ 17,816,807</u>	<u>\$ 7,807,472</u>	<u>\$ 202,098</u>	<u>2.66%</u>		

	<u>Original Budget</u>					
	<u>2017-18</u>	<u>Actual 2017-18</u>	<u>Variance</u>	<u>%</u>		
July	\$ 1,575,721	\$ 1,573,554	\$ (2,167)	-0.14%		
August	\$ 1,472,587	\$ 1,498,230	\$ 25,643	1.74%		
September	\$ 2,033,768	\$ 1,918,505	\$ (115,263)	-5.67%	(91,787)	-1.81%
October	\$ 1,328,473	\$ 1,381,534	\$ 53,061	3.99%		
November	\$ 1,390,412	\$ 1,435,650	\$ 45,238	3.25%		
December	\$ 1,797,313	\$ -			98,299	2.18%
January	\$ 1,398,434	\$ -				
February	\$ 1,115,634	\$ -				
March	\$ 1,588,132	\$ -			-	0.00%
April	\$ 1,346,868	\$ -				
May	\$ 1,359,625	\$ -				
June	\$ 1,868,033	\$ -			-	0.00%
YTD	<u>\$ 18,275,000</u>	<u>\$ 7,807,472</u>	<u>\$ 6,511</u>	<u>0.08%</u>		